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TODAY: LEISURE Inside Iran. Page 10

Space Error Disables Mir Guidance System

'Shut It Down!' Mission Control Shouts As Fatigued Crew Disconnects Key Cable

By Michael R. Gordon
New York Times Service

MOSCOW — A crewman aboard the stricken Mir space station mistakenly disconnected a critical cable Thursday, disabling the guidance system that allows the station to gather solar energy and precipitating yet another crisis.

"Shut it down! Shut it down!" screamed a controller at the mission control center outside Moscow, urging the crew to turn off the lights, heating and communication systems to conserve vital power.

With that order the crew was almost back to where they had started from after their June 25 collision in space.

They were stumbling around in a clammy, darkened space station using flashlights to find their way. Deprived of power, they shifted to the Soyuz space craft docked alongside to talk to ground control.

Those communications were not always pleasant. As tension built inside Mir, some of the Russian ground controllers lost patience with the fatigued Russian and American crew.

"This is a kindergarten," Vladimir Solovyov, the mission director, muttered testily after an exchange with the three-man crew. (Page 7)

But for all of the problems, Russian and U.S. space officials stressed that the mishap was not life-threatening. There were no immediate plans to evacuate Mir. Instead, the National Aeronautics and Space Administration announced Thursday that it had granted permission for the American crewman on Mir, Michael Foale, to train for a lengthy space walk to restore power from the Spektr module, which was damaged in a collision with an unmanned cargo craft.

NASA will not make a formal decision on whether to proceed with the repairs until Mr. Foale and Alexander Lazutkin, the Russian flight engineer on Mir, carry out a full-scale rehearsal in their space suits.

But it seems clear that NASA is prepared to authorize the repairs, barring a major setback. NASA specialists in Moscow have concluded that the Russian plan for repairing Mir is technically manageable and does not pose excessive risks.

Frank Culbertson, the former shuttle commander who oversees the American and Russian space cooperation, emphasized Thursday that Mr. Foale would have ample opportunity to train before undertaking the mission.

Still, Mir has become a delicate issue for the Clinton administration, which has been generally eager to cooperate with the Russians but is also under fire by some lawmakers who consider the station too dangerous.

"As far as we know right now," President Bill Clinton said Thursday,

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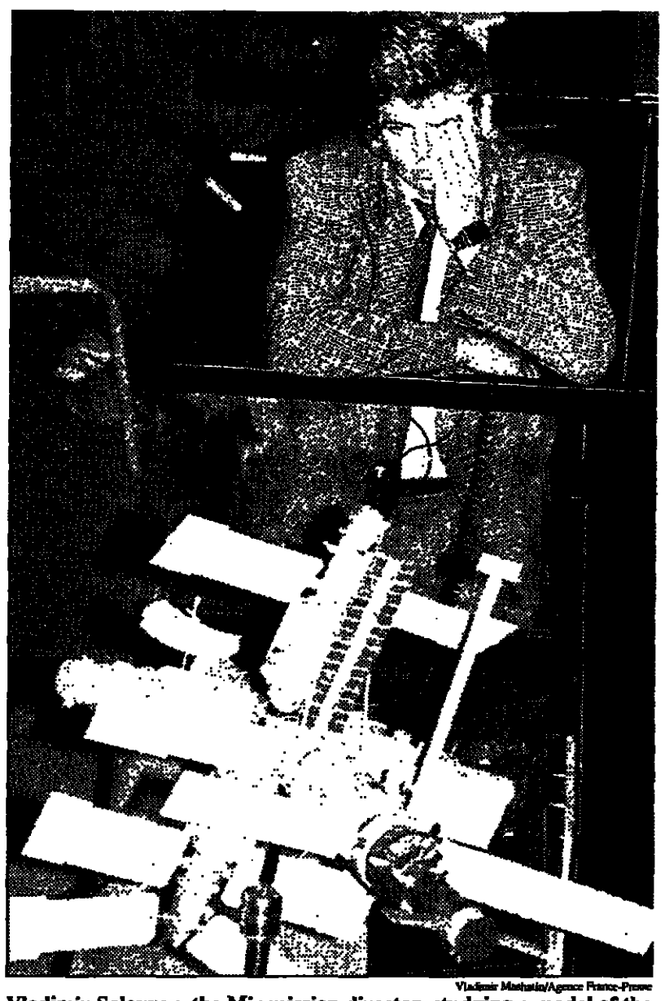

Vladimir Mashatin/Agence France-Presse

Vladimir Solovyov, the Mir mission director, studying a model of the stricken space station Thursday at mission control outside Moscow.

Clinton Warns EU Of Trade Conflict Over Boeing Deal

President Hints at Retaliation If Antitrust Officials Bar Merger

By Tom Buerkle
International Herald Tribune

BRUSSELS — Trans-Atlantic tensions over Boeing Co.'s takeover of McDonnell Douglas Corp. escalated dramatically Thursday after President Bill Clinton intervened for the first time in the controversy.

The president warned of U.S. trade retaliation if European antitrust authorities sought to block the Boeing-McDonnell deal.

At the same time, however, Mr. Clinton expressed hope that there would be a last-minute settlement before the EU Wednesday deadline.

"I'm concerned about what appear to be the reasons for the objections to the Boeing-McDonnell Douglas merger by the European Union," he said.

"It would be unfortunate if we had a trade standoff with them," he said "But we have a system for managing this through the World Trade Organization, and we have some options ourselves when actions are taken by Europe in this regard."

Mr. Clinton spoke in the wake of discussions Tuesday by senior administration officials.

The U.S. trade representative, Charlene Barshefsky, Commerce Secretary William Daley, Transportation Secretary Rodney Slater and the president's two top economic advisers met at the White House to consider possible retaliatory steps, officials said.

The measures could include stiff tariffs on Airbus Industrie airliners sold in the United States and filing a WTO complaint against the Europeans, although no conclusions were reached.

President Clinton's comments followed a renewed warning by the European Commission that it would block the deal next week unless Boeing made substantial new concessions to ensure that the merger was not an unfair disadvantage to Airbus, the European consortium.

President Jacques Chirac of France reiterated his support for the commission's stand at a meeting Thursday with the 20-member EU executive agency in Brussels. "You must be firm," he told them, officials said.

The high-level interventions raised the risk that political brinkmanship over the merger could spiral out of control and lead both sides into a damaging trade war, even though senior U.S. and EU officials contended that Boeing and the EU commission were not that far apart on the substance of the case.

The major stumbling block was Boeing's reluctance to drop its status as exclusive supplier in long-term contracts with three major U.S. airlines — American, Delta and Continental.

"It would be a shame if there were not a solution because in reality they are so close," said an EU official, who spoke on condition of anonymity.

"It's far from clear what would be done" in terms of retaliation by Washington, one U.S. official said.

But in a sign that the administration has not given up hope of a settlement, senior State Department officials worked feverishly to try to bridge differences between Boeing and the EU Commission following the breakdown Tuesday of direct negotiations in Brussels.

Stuart Eizenstat, undersecretary of state for economic affairs, spoke by telephone with the EU competition commissioner, Karel van Miert, and proposed a joint U.S.-EU monitoring of Boeing to prevent it from using exclusive contracts to lock up the American market for commercial jets, U.S. and EU sources said.

Mr. van Miert was said to have rebuffed the offer as insufficient, but contacts were continuing.

E. I. Flynn/The Associated Press

A store clerk in West Hollywood, California, taping up a wanted poster for Mr. Cunanan.

A Suspect of a Thousand Faces

Man Sought in Versace Murder Wasn't Violent, Friends Say

By Todd S. Purdum
New York Times Service

SAN DIEGO — He had a thousand stories and the faces to match. He was gregarious and charming, boyish behind wire-rimmed glasses, always quick to organize a party or pick up a check. He was loud and boastful, rumpled and pudgy despite expensive clothes, a bit of a snob with no visible means of support.

He brandished long Davidoff cigars, but seldom drank anything stronger than cranberry juice. He had been openly homosexual since high school, but showed off pictures of a woman and child he described as his former wife and daughter. His own mother called him a "high-class homosexual prostitute," and he was apparently kept by wealthy men, but he complained to friends that he could not get dates.

In the bars and boutiques of Hillcrest, the lively gay enclave of Los Angeles, acquaintances recalled all that and more about Andrew Phillip Cunanan, whom they knew as a smooth-talker named Andrew DeSilva.

But none of them saw any trace of the violence that has made Mr. Cunanan, 27, the sole suspect in a cross-country killing spree that has so far left five men dead, the last of them the Italian fashion designer Gianni Versace.

[Hundreds of FBI agents in Florida and around the United States were on the case Thursday, and Attorney General Janet Reno appealed to the public for help in the hunt, news agencies reported.

[A man fitting the general description of Mr. Cunanan was seen running away Thursday from the site of another murder, north of Miami International Airport. The FBI was investigating, but there was no link established to Mr. Cunanan.

["He's not your run-of-the mill spree or serial killer," said Lieutenant Dale Barsness, head of the Minneapolis police homicide unit. "He's very intelligent, very cunning, a con man." Mr. Cunanan is also a murder suspect in Minnesota.

[New York City offered a $10,000 reward for information leading to his capture.]

"We knew him as such a mild-mannered person," said George Kalamaras, manager of one of Mr. Cunanan's favorite haunts, a restaurant called California Cuisine. It was there, at the end of April, that Mr. Cunanan's friends threw a going-away party for him after he told them he was moving to San Francisco.

But instead of going to San Francisco, Mr. Cunanan bought a one-way ticket to Minneapolis, where he stayed with a former lover, a 33-year-old architect, David Madson, and arranged a rendezvous with an old friend, 28-year-old Jeffrey Trail.

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U.S. to Seek 3 Seats for Poor Nations On UN Council

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — After months of inaction over how to make the UN Security Council more reflective of the world, the Clinton administration is to recommend that three permanent seats be given to developing nations, according to a senior U.S. official.

The decision to move beyond a five-year-old policy of supporting permanent membership for only Japan and Germany came in a new administration review that also gave the go-ahead to Bill Richardson, the U.S. representative, to begin pressing for quicker action on restructuring the council.

[The State Department spokesman, Nicholas Burns, said Thursday that the developing countries chosen for membership should come from Asia, Latin America and Africa, The Associated Press reported.

["The United States is not making any recommendation about which countries should fill these new permanent seats," Mr. Burns said. "We expect this to be actively discussed throughout next year." He said it was up to the developing countries to decide whether to choose a permanent representative or rotate countries in and out of the seats for the three geographical areas.]

The five current permanent members are Britain, China, France, Russia and the United States. Ten other council seats are held for two years by countries selected from regional groups. The council is the only body in the organization with the power to order military force and make other binding decisions.

"The fact that they are prepared to accept developing countries as permanent members is a progressive move," said Prakash Shah, India's representative, who was at a meeting Wednesday during which Mr. Richardson outlined his ideas.

Razali Ismail, Malaysia's represen-

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Battle lines on UN reform. Page 7.

Chinese Police Break Up Big Protests by Workers

Compiled by Our Staff From Dispatches

BEIJING — The police in southwestern China dispersed thousands of angry factory workers who staged protests this month after their employers declared bankruptcy, officials said Thursday.

A few of the ringleaders were arrested, said an official of the government of Mianyang, a city in southwestern Sichuan province.

But he dismissed a report by the New York-based organization Human Rights in China that said that 100,000 people had been involved in protests in late June and early July and that paramilitary People's Armed Police had been used to break up the demonstrations, wounding more than 100 people and detaining about 80.

"Just one or two people who were pasting up big-character posters and stirring up the crowd were arrested," the official said. "The rest were dispersed and no workers were hurt."

Worker unrest is one of the greatest fears of China's Communist Party leadership. Reports of protests by disgruntled workers have surfaced increasingly in China in recent years as economic reforms have resulted in layoffs from lumbering state factories

China's leaders this year placed the revamping of money-losing state enterprises at the top of their economic agenda, pushing through with bankruptcies that they had delayed for years for fear of social unrest.

Human Rights in China said in a faxed statement received here Thursday that the workers took to the streets in late June after three state-run enterprises declared bankruptcy.

In more than a week of demonstrations, the group said, workers said that company officials had embezzled unemployment benefit funds, and appealed to the government to protect their subsistence rights. The authorities imposed

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AGENDA

Thai Officials Raid Foreign Brokerages

Moving to stamp out what they called damaging rumors about Thailand's financial crisis, officials raided at least two foreign brokerages in Bangkok on Thursday. Squads of uniformed police searched the offices of Nomura Securities Co. and ABN-AMRO Hoare Govett, searching desks, reading computer files and interrogating and photographing employees, witnesses said. The raids drew accusations from some foreign brokers that the government was using scare tactics to keep the foreign investment community from passing along unpleasant news. Page 13.

Woolworth Ends Its 5-and-10-Cent Era

Woolworth Corp., whose founder created the 5-and-10-cent store concept more than a century ago, became the last U.S. company to leave that business, saying it would close its 400 remaining general-merchandise shops and convert a quarter of them to specialty retailers. The original concept was that all the household goods in the store would be sold for 5 cents or less, and the first store, which failed, was called the Great Five Cent Store. The founder, Frank Winfield Woolworth, opened a second store in Lancaster, Pennsylvania, which caught on, and he added 10-cent goods. Page 13.

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THE AMERICAS — Page 3. — *A Twisted Tale of Two Sisters*

ASIA/PACIFIC — Page 4. — *ASEAN Seeks Cambodia Solution*

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Stephen Jaffe/Agence France-Presse

President Clinton announcing his choice of General Hugh Shelton, right, to succeed General John Shalikashvili, left, as chairman of the Joint Chiefs of Staff. Page 3.

In Apartheid Inquiry, Many Only Relived the Pain

By Suzanne Daley
New York Times Service

WYNBERG, South Africa — Dee Dicks says she almost never cried in the 12 years since club-wielding police officers kicked in the doors of a friend's house, where she was hiding after an anti-apartheid protest, and hauled her off to jail.

Miss Dicks was 17 then and on the verge of graduating from high school. But instead she was prosecuted and sentenced to three years in prison. There, treated as a common criminal rather than a political detainee, she was locked up with murderers and thieves, and subjected to strip searches.

Two months ago, she told her story to South Africa's Truth and Reconciliation Commission. These days, she says, she is constantly in tears.

"It was very traumatic to relive it," she said recently, her hands, trembling slightly, clasped around a cup of tea. "Now, I can actually see it in my mind. Before the hearing I never cried. But now, I cry all the time."

In the last 18 months more than 2,000 victims of apartheid-era brutality have told their stories to the commission in hundreds of public hearings around the country. The hearings for the victims, which ended last month, were supposed to be a chance for those who suffered anonymously to finally be heard.

After stepping down from stages bright with spotlights and laced with microphone cords, many victims said they felt better for speaking out. But that sense of relief was often short-lived.

Victims' advocates, psychologists and workers for the Truth Commission say that within weeks or months of testifying, many victims have complained of sleepless nights and recurring nightmares.

Moreover, many feel a growing anger at a process that reopened old wounds but gave them little support afterward. Some victims wanted, even expected, concrete help like pensions and job training. Early on, commission officials had said they could help victims with personal needs — medical operations, a leaky roof — but no such assistance has materialized.

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Newsstand Prices

Andorra	10.00 FF	Lebanon	11. 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1.100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1.250 CFA	Tunisia	1.250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar		
New York	Thursday @ 4 P.M.	previous close
DM	1.793	1.7914
Pound	1.6733	1.6787
Yen	115.975	115.62
FF	6.0565	6.0504

The Dow		
	Thursday close	previous close
-18.11	8020.77	8038.88

S&P 500		
change	Thursday @ 4 P.M.	previous close
-4.96	931.60	936.56

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The IHT on-line http://www.iht.com

British Sport Cries Foul / **Outrage at a New Gun Law**

Target Shooters Blast Pistol Restrictions

By Warren Hoge
New York Times Service

BISLEY, England — There is a sureness to this place, with its sweep of green fields, striped wind pennants fluttering from high masts and people ambling along leafy paths and lolling on the covered porches of their Victorian bungalows.

Never is there more of a sense of permanence here than in July, the month that Bisley Camp is the site of the Imperial Meeting, the event that is to target shooting what Wimbledon is to tennis.

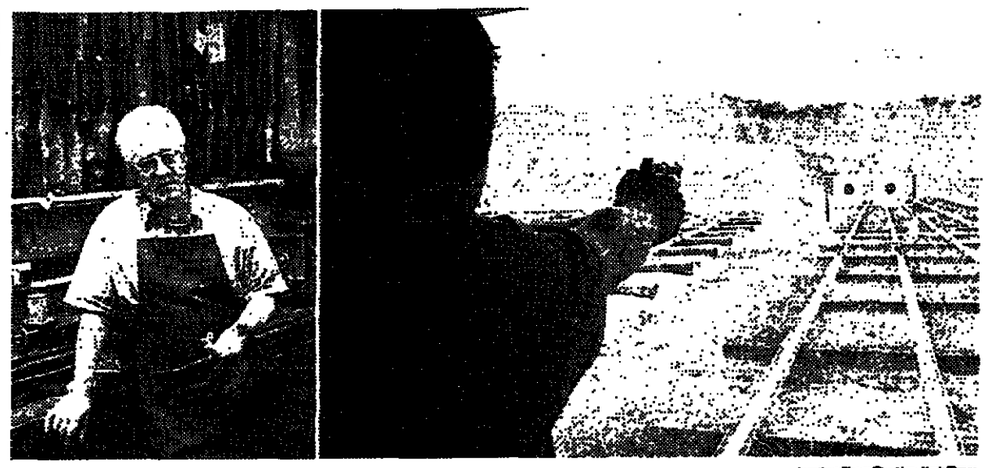
But this year, July has taken on a new and unsettling significance for the members of the Bisley community, causing them to focus their attention more on the present and the future than on the annual reaffirmation of traditions of their sport, reaching back to archery tournaments in the 14th century.

"It's a bloody disaster is what it is," said Roger Millard, a partner in G.E. Fulton & Son Registered Gunsmiths.

Under a law passed last year, starting July 1 and continuing until Oct. 1, owners of pistols larger than .22 caliber must turn them in to police stations around the country, and next summer the pistols exempted from that ban will be confiscated under a new, more stringent law now moving toward certain adoption in Parliament.

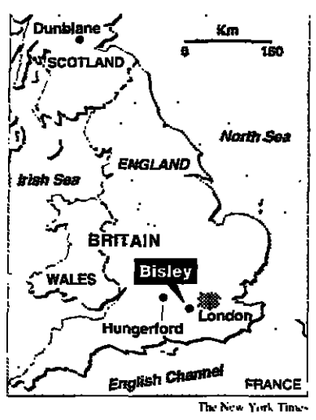
Both laws tighten restrictions on gun ownership in a country with a police force famous for going unarmed and with laws that were already the strictest of any Western country's.

But two nationally traumatizing events — the killing of 14 people on the main street of the Berkshire town of Hungerford in 1987 by a man with a rifle, and the massacre of 16 schoolchildren and their teacher by a man wielding four handguns in the Scottish town of Dunblane in March 1996 — produced a public and political demand for action.



Jonathan Player/The New York Times

Target practice on the range at Bisley, where a ban on pistols larger than .22 caliber, approved after two mass killings, has angered gun owners. Roger Millard, left, a gunsmith at Bisley, called the ban a disaster.



The New York Times

Under far-reaching laws existing at the time, machine guns, self-loading rifles and semiautomatic shotguns were illegal and others types of firearms like pistols, revolvers, rifles and shotguns required a certificate of good "character" and a clean record from the police renewable every five years.

IN both the Hungerford and Dunblane incidents, however, the killers had licensed weapons, leading to a perception that the laws were not sufficient.

"Of course, the problem wasn't the law, it was the lack of enforcement of the law," said C.C.C. Cheshire, a retired lieutenant colonel in the Royal Tank Regiment and chief executive of the National Rifle Association, which has its headquarters here. "Neither one of those men would have had weapons if the police had done their job."

In Dunblane, the constable who had approved the killer's certificate admitted his failure and resigned from the force.

Dismay and anger have taken hold of the shooting enthusiasts who flock here over what they perceive as the demonization of their sport and its membership.

"We are all parents, and the fact that this was a ghastly thing to have happened sent a shock wave through this community too," Mr. Millard said. He now provides valuations of pistols to be turned in, and he warmed to a question about the nature of the people bringing in their guns for assessment.

"Lawyers and lorry drivers," he said, "doctors and dustmen, soldiers and solicitors, one in a wheelchair and a couple of lady shooters. What I haven't seen, and am unlikely to, is the villain in the black balaclava who wants his handgun valued before doing over the local sub post office."

Dismay has taken hold of enthusiasts over what they see as the demonization of their sport.

Albie Fox, owner of an embroidery store catering to shooters and director of the Sportsman's Association, said, "The gun culture in the U.K. is what people see on television from America, and that has become what people perceive us to be."

Unlike its namesake in the United States, the National Rifle Association here is not a lobby but a charity. Prince Charles is its president, and one of its missions is "defense of the realm."

The organization says it welcomes restrictions on ownership like those proposed by an independent government commission set up after Dunblane that would have required gun owners to keep weapons locked in one of the approved 2,118 clubs.

Mr. Fox said his association not only was not against gun control, but it also favored creation of a firearms board to control licenses. There are 200,000 legally held handguns in Britain that will have to be turned in or taken out of the country. Estimates of illegal handguns, which will not be reached by the law, start at one million.

The government has promised compensation equal to 75 percent of the list price of weapons turned in, starting at £150 ($250) for what Colonel Cheshire called "common garden" pistols to more than £1,200 for guns with higher valuations because of their historical value or elaborate construction.

Businesses and clubs that shut down or suffer losses will get no compensation, and some of them are planning to take their cases to European Community courts. The ultimate cost to the government is estimated at anywhere from £150 million to £500 million.

MANY gun owners are taking their weapons abroad, and some of the 139 pistol clubs are relocating to countries like Belgium, France and Switzerland. Target shooting with rifles, a large segment of the sport, is unaffected by the new laws, and the government has said it will give special dispensation to foreign pistol teams coming to Manchester for the Commonwealth Games in 2002.

The British national pistol team, long an Olympic force, will also be allowed to compete. But to comply with the new law, it will have to train abroad.

U.S. Study Lowers Cost Of Curbing Emissions

By John H. Cushman Jr.
New York Times Service

WASHINGTON — After tinkering with computer models for more than a year, the Clinton administration has predicted that efforts to combat global warming by limiting the emissions of greenhouse gases will have a much less dramatic effect on the economy than has been projected by industries that oppose restraints on energy use.

The analysis opened what is expected to be a long campaign between now and the end of the year.

International negotiators are scheduled to meet in Kyoto, Japan, in a campaign to build support for a binding treaty that would limit the emissions of greenhouse gases.

Any measures to reverse the steady growth of these emissions — mostly given off by burning fossil fuels to drive cars, generate electricity and heat buildings — would probably involve the biggest government intervention in energy markets since oil-exporting countries dramatically raised prices in the 1970s.

But the administration's computer models suggest that the economic side effects of trying to curb an increase in these emissions would be only half as severe as those projected in a recent study by economists at Charles River Associates for the American Petroleum Institute, a lobbying group for fuel producers.

Critics who say the administration is moving too fast on global warming have warned that mines and factories would close, inflation would rise and productivity would fall under the economic shock.

But another school of thought holds that energy conservation can pay for itself and that new technologies could be found, offering major economic gains — not to mention avoiding more flooding, drinking-water shortages and famines that could come with a heat-up in global warming.

As the administration tries to decide how fast and how far to cut emissions, the question of the treaty's economic fallout is being asked with increasing urgency in Congress, which has ultimate authority over energy policy.

The Senate would also have to ratify any treaty.

In a staff paper, the White House has determined that energy policies aimed at cutting emissions might, over the next few decades, shave a fraction of a percent from the nation's economic growth, followed by a recovery — or might, if implemented cleverly, have barely a discernible effect or even a net economic benefit.

"It just boils down to this: If we do it dumb, it could cost a lot, but if we do it smart, it will cost much less, and indeed could produce net benefits in the long run," Janet Yellen, chairwoman of the Council of Economic Advisers, said at a congressional hearing.

Expressed in terms of energy costs, the projections found that stabilizing emissions at 1990 levels by 2010, for example, would require steps equivalent to charging about $100 for every ton of carbon emitted when a fossil fuel is burned.

That would be like raising a tax on gasoline of about 26 cents a gallon, a tax on electricity of 2 cents a kilowatt hour, a tax on coal of $52.52 a ton and a tax on natural gas of $1.49 a thousand cubic feet.

But the projections, administration officials said, are put in terms of taxes merely because that is the easiest way for economists to model things that are even more complex than the tax code.

Nobody seriously expects the White House to propose a big gasoline tax increase.

Lagos Pressing U.S. Diplomats

The Associated Press

LAGOS — The national chief of police wants to question the American ambassador and members of the U.S. Embassy staff about a recent series of bombings.

The police chief, Ibrahim Coomasie, has not said why he wants to question Ambassador Walter Carrington about the blasts, which have killed at least 10 people, though authorities have suggested U.S. diplomats may have known about them in advance.

Nigerian officials have not offered any evidence linking the diplomats to the explosions.

The military government of Nigeria has blamed the bombings on the country's main opposition group, the National Democratic Coalition.

The authorities want to extend their investigation to countries such as Britain and the United States, where Nigerian dissidents have been active.

Mr. Coomasie acknowledged that the Americans would have to waive diplomatic immunity before they could be questioned.

The U.S. Embassy said Wednesday it had received no request for Mr. Carrington or any other diplomats to waive their traditional immunity.

In a statement, the U.S. Embassy reiterated a condemnation of terrorist bombings and expressed willingness to cooperate with the Lagos authorities.

Jew Is Unrepentant Over Pig Drawings

The Associated Press

JERUSALEM — Wearing the emblem of an outlawed anti-Arab group in court, a Jewish extremist said Thursday that she did not regret triggering Muslim protests by distributing drawings depicting Mohammed, the prophet of the Muslim religion, as a pig.

"I don't think he was a pig, but the way they use him is a piggy way," Tatiana Susskind, 26, said of Muslims.

Miss Susskind's leaflet, pasted on shutters of Arab-owned shops in the West Bank town of Hebron in June, set off clashes in which dozens of Palestinians and several Israeli soldiers were injured. It also triggered Muslim street protests in several other countries, including Bangladesh and Iran.

Miss Susskind's trial was postponed after a brief opening session so that she could undergo a psychiatric examination requested by both sides.

Sean Casper, her lawyer, said his client's behavior had raised questions about her mental state.

Thin and tired-looking after several days of fasting to protest her treatment in jail, Miss Susskind wore a yellow T-shirt showing a clenched fist inside a Star of David, symbol of the extremist Kach movement. Miss Susskind said she had drawn the emblem on the shirt.

Miss Susskind, an art-school dropout, has said she put up the leaflets to protest Palestinian rioting.

She said that she did not regret her action and that Arabs should be put on trial for inciting violence against Jews.

"I'm sorry they did not bring to trial the mufti of Hebron, who has called for the killing of Jews in the name of Mohammed," she said, referring to the city's chief Muslim cleric.

Outside the courtroom, Miss Susskind held up a new drawing she had made in jail showing two pigs, one throwing a firebomb and the second standing on what appeared to be the Koran, the sacred book of Islam.

Her next hearing is scheduled for Aug. 3.

Miss Susskind has been charged with inciting to racism, insulting Islam, supporting a terrorist group and endangering lives by throwing a stone at an Arab driver. She faces a maximum sentence of 26 years in jail.

■ Peace Talks Rekindled?

A European Union spokesman said Thursday that the EU was trying to set up a meeting between the Palestinian leader, Yasser Arafat, and the Israeli foreign minister, David Levy, on ending a deadlock in Middle East peace talks, Reuters reported.

Israeli and Palestinian officials confirmed that both Mr. Levy and Mr. Arafat had been invited to a meeting in Brussels on Tuesday of the EU's 15 foreign ministers.

Such a meeting would be the highest-level Israeli-Palestinian contact since Mr. Arafat and Mr. Levy met briefly at a conference in Malta in April.

TRAVEL UPDATE

Strike Is Called at Channel Tunnel

COQUELLES, France (Reuters) — French labor unions said Thursday that they would stage a one-day strike next Wednesday against the operator of the Channel Tunnel, Eurotunnel SA.

The unions rejected a management offer to meet next Thursday to discuss their demands for higher salaries, bonuses and a work week of 35 hours instead of 37½ hours.

The walkout would be the first daylong strike at the tunnel, where a two-hour strike was held Nov. 18, hours before a fire in the tunnel severely curtailed its operations.

The Eiffel Tower stayed closed for a second day Thursday as management met with workers to try to end a strike at the Paris monument. Hundreds of tourists were turned away. Workers are protesting the firing of a colleague who was accused by a British tourist of manhandling her when she became dizzy and tried to leave an elevator. *(Reuters)*

Australia has an image problem, said the chairman of the country's Tourism Task Force, John Brown, arising from the remark of a maverick Parliament member that Australia could "swamped" by Asians if immigration were not halted. Potential visitors must be told that the views of the Parliament member, Pauline Hanson, are not backed by most Australians, Mr. Brown said. *(AFP)*

Continental Airlines said it had received permission from the Department of Transportation to start nonstop service next April between Moscow and Newark International Airport, which serves the New York City area. *(AFX)*

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather

North America A front heading slowly south will end the heat from New York to Detroit and Chicago Saturday, then it will be comfortable with some sunshine into Monday. Thunderstorms will form along the front from the Carolinas into the Gulf States. Hot and dry from the Southwest to the southern Plains

Europe A nice weekend ahead for London and most of the British Isles with some sunshine and temperatures in the 20s. Most of Scandinavia, France and Spain will also be pleasant. Cloudy and cool across eastern Europe with scanling rains from the Balkans and Romania to southern Poland

Asia Hot and humid weather will continue across Korea and most of Japan Friday and Saturday through Monday, including Seoul and Tokyo. Beijing and all of northeastern China will be humid with scattered showers and thunderstorms. South-central China and eastern Tibet will have soaking rain

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	29/84	20/68 s	29/84	19/66 s
Amsterdam	30/86	13/55 r	21/70	11/52 pc
Ankara	25/77	11/52 s	32/89	13/55 s
Athens	30/86	24/75 s	32/89	23/73 s
Barcelona	23/73	13/55 s	20/68	14/57 s
Belgrade	31/88	15/59 r	29/84	13/55 pc
Berlin	22/71	16/61 sh	18/64	14/57 r
Brussels	18/64	12/53 r	20/68	9/48 pc
Budapest	27/80	17/62 r	22/71	18/61 r
Copenhagen	21/70	13/55 r	21/70	13/55 pc
Costa Del Sol	29/84	18/64 s	28/82	18/64 s
Dublin	19/66	12/53 pc	21/70	13/55 pc
Edinburgh	21/70	12/53 pc	22/71	12/53 pc
Florence	29/84	13/55 s	29/84	14/57 pc
Frankfurt	22/71	15/59 r	17/62	14/57 r
Geneva	18/64	11/52 r	18/64	9/48 r
Helsinki	22/71	12/53 c	23/73	12/53 c
Istanbul	28/82	21/70 s	33/91	21/70 s
Kiev	21/70	12/53 c	21/70	16/61 r
Las Palmas	26/79	20/68 s	27/80	21/70 s
Lisbon	28/82	19/66 s	28/82	18/64 s
London	20/68	12/53 c	22/71	12/53 s
Madrid	32/89	13/55 s	31/88	14/57 s
Mallorca	22/71	17/62 s	22/71	17/62 pc
Milan	27/80	14/57 pc	28/82	14/57 pc
Moscow	21/70	14/57 r	22/71	14/57 r
Munich	18/64	12/53 r	10/61	9/48 r
Nice	25/77	14/57 s	25/77	16/61 s
Oslo	22/71	12/53 pc	24/75	13/55 pc
Paris	17/62	10/50 c	20/68	8/46 pc
Prague	20/68	10/61 r	18/61	12/53 r
Reykjavik	15/59	14/57 r	15/59	10/50 r
Riga	21/70	12/53 c	23/73	14/57 c
Rome	26/79	14/57 pc	24/75	14/57 s
St Petersburg	22/71	14/57 c	23/73	14/57 c
Stockholm	19/66	12/53 c	21/70	13/55 pc
Strasbourg	19/66	14/57 r	20/68	11/52 r
Tallinn	22/71	11/52 c	20/68	11/52 pc
Tbilisi	34/75	14/57 r	28/82	16/61 pc
Venice	27/80	16/59 pc	27/80	16/59 pc
Vienna	23/73	18/64 r	19/66	15/59 r
Warsaw	23/73	15/59 c	20/68	14/57 r
Zurich	18/64	13/55 r	18/64	11/52 r

Middle East

Abu Dhabi	38/100	28/82 s	41-106	30/86 sh
Beirut	25/77	19/66 s	28/82	21/70 s
Cairo	35/95	18/64 s	34/93	21/70 s
Damascus	33/91	15/59 s	37/98	14/57 s
Jerusalem	26/79	14/57 s	29/84	15/59 s
Luxor	39/102	18/64 s	41-100	21/70 s
Riyadh	42/107	23/73 s	42/107	24/75 s

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Almaty	41-106	21-70 s	41-106	24-75 s
Bali	30/86	21/70 pc	29/84	18/64 s
Bangkok	31/88	25/77 r	32/89	25/77 r
Beijing	35/95	23/73 s	28/82	26/79 r
Bombay	28/82	26/79 r	28/82	26/79 sh
Calcutta	31/88	26/79 r	28/82	25/77 r
Chiang Mai	33/91	23/73 c	34/93	23/73 pc
Colombo	30/86	25/77 pc	29/84	25/77 pc
Hanoi	31/88	26/79 r	31/88	27/80 c
Ho Chi Minh	32/89	24/75 r	32/89	24/75 sh
Hong Kong	29/84	25/77 r	29/84	24/75 r
Islamabad	43/109	28/82 s	41-106	29/84 s
Jakarta	31/88	23/73 pc	30/86	23/73 pc
Karachi	34/93	27/80 pc	34/93	28/82 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 c
K. Kinabalu	31/88	21/70 pc	31/88	23/73 pc
Manila	31/88	23/73 r	30/86	25/77 r
New Delhi	37/98	26/79 pc	35/95	26/79 pc
Phnom Penh	32/89	24/75 sh	32/89	24/75 t
Phuket	31/88	25/77 r	32/89	25/77 r
Rangoon	32/89	23/73 c	33/91	25/77 pc
Seoul	30/86	21/70 pc	29/84	21/70 s
Shanghai	32/89	26/79 c	33/91	25/77 pc
Singapore	31/88	22/71 pc	30/86	23/73 t
Taipei	32/89	24/75 pc	32/89	24/75 pc
Tokyo	26/79	20/68 pc	26/79	21/70 s
Vientiane	30/86	25/77 r	31/88	26/79 c

Africa

Algiers	27/80	15-59 s	26/79	16/61 s
Cape Town	14/57	9/48 r	14/57	8/46 r
Casablanca	26/79	19/66 s	28/82	21/70 s
Harare	16/61	11/52 sh	20/68	11/52 pc
Lagos	28/82	23/73 r	28/82	23/73 s
Nairobi	24/75	11/52 pc	24/75	11/52 c
Tunis	29/84	18/64 pc	29/84	18/61 s

North America

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Anchorage	19/66	12/53 sh	18/64	11/52 pc
Atlanta	33/91	21/70 pc	31/88	21/70 pc
Boston	26/97	20/68 pc	24/75	15/59 sh
Chicago	32/89	18/64 s	26/79	17/62 pc
Dallas	36/97	22/71 pc	35/95	20/73 pc
Denver	35/95	16/61 t	33/91	15/59 pc
Detroit	33/89	17/62 t	24/75	16/61 pc
Honolulu	30/86	25/77 pc	31/88	23/73 pc
Houston	34/93	23/73 pc	34/93	23/73 pc
Los Angeles	30/86	18/61 s	31/88	17/62 pc
Miami	32/89	25/77 t	33/91	26/79 pc
Minneapolis	31/88	20/68 pc	26/79	17/62 t
Montreal	27/80	9/48 t	18/64	10/50 pc
Nassau	32/91	24/75 pc	33/91	26/79 pc
New York	31/97	21/70 pc	30/86	19/66 sh
Orlando	33/91	22/71 t	33/91	23/73 pc
Phoenix	43/109	28/82 t	42/107	29/84 pc
San Juan	32/91	24/75 s	34/93	24/75 pc
Seattle	21/70	13/55 s	25/77	15/59 pc
Toronto	28/82	15/59 t	21/70	11/52 pc
Vancouver	21/70	12/53 pc	25/77	17/62 pc
Washington	36/106	23/73 s	31/88	19/66 sh

Latin America

Buenos Aires	10/50	1/34 pc	10/50	2/37 c
Caracas	31/88	24/75 pc	31/88	25/77 t
Lima	21/70	16/61 s	21/70	17/62 s
Mexico City	24/75	18/64 sh	20/68	14/57 c
Rio de Janeiro	27/80	18/64 s	24/75	19/66 pc
Santiago	13/55	5/41 s	14/57	5/41 pc

Oceania

Auckland	13/55	7/44 c	17/62	7/44 pc
Sydney	14/57	9/48 pc	14/57	9/48 sh

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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NORWAY	NOK	832	390	53%
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THE AMERICAS

U.S. Audit Uncovers A Morass at Medicare

Overpayments in '96 Totaled $23 Billion

By Robert Pear
New York Times Service

WASHINGTON — In the first comprehensive audit of Medicare, federal investigators have found that the government overpaid hospitals, doctors and other health care providers last year by $23 billion, or 14 percent of all the money spent in the standard Medicare program.

The books and records of the Medicare health insurance system for the elderly and its contractors were in such disarray that they could not be thoroughly audited, said June Gibbs Brown, inspector general of the Department of Health and Human Services. She said Wednesday that there was no way to tell how much of the overpayment resulted from fraud.

The estimate of improper payments, based on a review of a sample of actual claims, is substantially higher than prior estimates by health policy experts. It tends to confirm the suspicions of elderly people who say their Medicare bills are riddled with errors.

The amount of improper payments detected by the inspector general is, by coincidence, the same as the amount of savings to be extracted from Medicare under the budget bill now pending in Congress — $115 billion over five years, or an average of $23 billion a year. Congress is considering major changes in Medicare, including a "means test" and an increase in the age of eligibility, to prevent the program from going bankrupt before baby boomers need it.

Auditors found a $4.5 billion "computation error" in the agency's estimate of unpaid claims. They found that contractors sometimes mixed up Medicare's two trust funds, for hospital care and doctors' services. Other contractors confused amounts owed to the government with amounts owed by the government. The contractors, typically private insurance companies, review claims and pay bills for Medicare.

The report made these points:

- *Controls over cash are loose.* Checks were signed by people who had no authority to do so.
- *Hospitals and clinics received the biggest share of improper payments, 35 percent of the $23 billion. Most of the remainder went to doctors (22 percent), home health agencies (16 percent), nursing homes (10 percent) and medical laboratories (6 percent).*
- Medicare's vast computer systems have so little security that records can be easily altered or destroyed.

Dan Videan/The Associated Press

An Oakland police officer searching for clues in a case that started out as an investigation of a firebombing but became more bizarre as it went along.

Tale of 2 California Sisters

One, a Crime Fighter in Oakland, Is Dead; The Other Is Accused of Stealing Her Identity

By Maria L. La Ganga
Los Angeles Times Service

SAN FRANCISCO — On its face, it is a twisted tale of two sisters — tales both of heroism and of murder, of money and of false identity.

On July 1, the bungalow of an Oakland anti-drug activist, Stevie Allman, was firebombed, sending her to the hospital with burns over 15 percent of her body. Her two dogs, a pit bull and a Chihuahua, died.

It was the drug dealers, she exclaimed from her hospital bed, and the Oakland police department hopped to, declaring that it was "taking this as an offense not only against her but the entire city."

Governor Pete Wilson offered a $50,000 reward and donations poured in from an admiring public.

The 52-year-old activist exhorted her neighbors, "Please stay involved. Join the neighborhood watch."

But on Tuesday, the Oakland police, tipped that something was amiss, got a search warrant and found a body in the burned house. Under questioning, the antidrug activist admitted she was not Ms. Allman after all. She was really the woman's younger sister, Sarah Mitchell — a woman with an arrest record in welfare fraud and prostitution.

That same day, Ms. Mitchell was charged with murdering the sister she had impersonated, dismembering the body and stuffing it in a small freezer.

The motive was money.

On Wednesday, the thick plot thickened further as the police tried to figure out which of the sisters they had worked with for a year, trying to clear the working-class East Oakland neighborhood of crime.

"Now we're not sure who was working with the police" an official said.

Was it Ms. Allman? Or was it someone else who had helped the police, delivering video tapes of drug transactions and other activities shot through the living room curtains.

One signal that there were problems in the accounts they were hearing was the governor's reward. Surprisingly, no one came forward to claim it. In addition, efforts to link drug dealers with the crime were going nowhere.

Under questioning, Ms. Mitchell insisted at first that she was Ms. Allman. But then her fingerprints were found to match a set in the state's computer files linking her to a 1970s prostitution conviction and a welfare fraud arrest under the name Sarah Mitchell.

She was arrested Tuesday morning on suspicion of forgery. By Tuesday afternoon, the police had obtained a search warrant for the house. They opened the freezer, and a charge of murder was added to the case.

POLITICAL NOTES

Senate Votes to Keep Anti-Drug Ratings

WASHINGTON — The U.S. Senate has rejected an administration-supported plan to scrap one of the most disputed tools in the nation's drug-fighting arsenal, the annual certification of other countries as cooperative or not.

The 60-to-38 vote to reject the bill nonetheless demonstrated widespread congressional dissatisfaction with the annual process of passing judgment on other countries' drug-fighting efforts. Still, sponsors of the measure said a majority of senators were persuaded to vote against it out of fear of being portrayed at re-election time as soft on drugs.

Many lawmakers have come to argue that the annual State Department review of other nations' anti-narcotics efforts has aggrieved friendly countries while doing little to keep drugs from entering the United States. But a vote to scrap that program would have been a far-reaching change in national policy on a major issue adopted with little public input because there were no hearings on the measure. *(WP)*

Gingrich Foils Foes

WASHINGTON — The reign of Newt Gingrich, speaker of the House of Representatives, began to take on complexity worthy of a Shakespearean monarch when the Georgia Republican won a public show of support from rank-and-file colleagues while questions arose about whether some of his lieutenants have been exploring ways to depose him.

Mr. Gingrich was greeted with a standing ovation when he arrived at Wednesday's closed-door meeting of House Republicans, according to lawmakers. He then triumphed in routine votes over internal party matters that had come to be seen as a referendum on his stewardship and, to a lesser extent, that of the other Republican leaders.

In the most important vote, the race for House Republican Conference vice chairman, Representative Jennifer Dunn of Washington state scored a solid 129-to-85 victory over Representative Jim Nussle of Iowa, who ran his campaign as a referendum on the leadership's performance.

But as Mr. Gingrich was proclaiming House Republicans to be "a unified team," other lawmakers confirmed undisclosed meetings that House Republican leaders held with dissident lawmakers, underscoring what a precarious perch the speaker's chair is for Mr. Gingrich. *(WP)*

House Grabs Back Scientists' Money

WASHINGTON — The House of Representatives has voted to dock the National Science Foundation's budget to cover what it paid for a study of why people don't want to run for Congress.

Lawmakers by voice vote approved an amendment Wednesday that reduced the proposed $3.5 billion foundation budget for fiscal 1998 by $174,000, about the same amount if spent for the study on why some people qualified for public office choose not to run because of public perceptions of politicians. *(WP)*

Who Opposes Weld?

WASHINGTON — A group of Republican House members are urging a leading senator to drop opposition to a Republican governor's becoming an ambassador for a Democratic administration.

Representative Benjamin Gilman, chairman of the House International Relations Committee, and 22 other House Republicans on Wednesday asked Mr. Gilman's Senate counterpart, Jesse Helms, Republican of North Carolina, to hold a hearing on whether Governor William Weld of Massachusetts should be ambassador to Mexico.

Mr. Weld has not yet been nominated, but the White House announced Wednesday that President Bill Clinton will fight to have him confirmed despite opposition from Mr. Helms, who heads the Senate Foreign Relations Committee. *(AP)*

Quote/Unquote

President Bill Clinton, upon signing for the third time a waiver on provisions of the Helms-Burton Act that would allow Americans to sue foreign companies for using property confiscated by Havana: "We have made significant progress. We are forging an international consensus on concrete steps to clear the way for a new era of democracy and prosperity for the people of Cuba."

Senator Jesse Helms, in reply: "Through its failure to enforce this provision, the administration has issued what amounts to an effective, and in fact, an unlawful waiver." *(AP)*

Army General Shelton Is Joint Chiefs Nominee

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton nominated General Henry Shelton of the army on Thursday to be the next chairman of the Joint Chiefs of Staff, a choice that emphasized the military's new variety of nonconventional threats — terrorism, insurgencies and sabotage.

"He has distinguished himself as a decorated soldier," Mr. Clinton said of the general who commanded the U.S.-led military operation in Haiti in 1994. "From Vietnam to Desert Storm, he has proven his skill and courage in combat," the president said, adding that General Shelton was a "thinker" with a "unique perspective" on the security challenges America could face in the coming years.

General Shelton, who as commander of special operations oversees the army's Green Berets, the navy Seals and other elite forces, is unlike the tankers, pilots or sailors who have served as Joint Chiefs chairmen before.

In a recent article published by the Pentagon, General Shelton said his troops were "not designed to win wars single-handedly, but they can help prevent and deter them." For the next decade, the nation can expect "operations short of war" to dominate its security concerns, he added.

Admiral William Owens, former vice chairman of the Joint Chiefs, described General Shelton as a "soldier's soldier" who has served in a range of command positions and is suited to an environment in which the military faces new noncombat roles.

Senator Strom Thurmond of South Carolina, the Republican chairman of the Senate's Armed Services Committee, praised the general as "a good man" and, when asked whether General Shelton's confirmation by the Senate would go smoothly, replied, "I think so."

General Shelton emerged as a front-runner for the job after Secretary of Defense William Cohen's initial choice, General Joseph Ralston of the air force, withdrew from consideration last month.

General Ralston decided not to seek the post after reports that he had an affair while separated from his wife in the 1980s. *(AP, NYT)*

Gunmen Kill Mexican Editor Who Reported on Corruption

By Molly Moore
Washington Post Service

MEXICO CITY — The editor of a Mexican newspaper that aggressively reported on drug trafficking and government corruption was gunned down in front of his office in northern Mexico.

Benjamin Flores Gonzalez, 29, editor of the newspaper La Prensa in the border town of San Luis Rio Colorado, about 30 miles (50 kilometers) south of Yuma, Arizona, was ambushed by a carload of four men.

One of the men leaped from the car and fired an AK-47 assault rifle at Mr. Flores just steps away from the front door of the newspaper's offices, according to reporters at La Prensa. The gunman then grabbed a .22-caliber pistol from an accomplice and fired three shots into Mr. Flores's head as the editor lay on the ground, witnesses said.

The attack Tuesday afternoon was characteristic of gangland-style murders by drug traffickers. The police said no arrests have been made in the case.

Associates said Mr. Flores had received death threats after publishing sensitive stories about corruption and drug trafficking. He was the 23d Mexican journalist murdered since 1984 in circumstances that colleagues believe to be related to their reporting, according to the New York-based Committee to Protect Journalists.

"We have exposed many drug traffickers and criminals, but also government officials, police and military," said Jesus Barraza, a La Prensa reporter. "So the assassination could have come from anywhere."

■ Charges Dropped Against Salinas

In another prominent Mexican scandal, a judge dismissed a money-laundering charge against the older brother of former President Carlos Salinas de Gortari, Reuters reported. Prosecutors called the judge's ruling on behalf of Raul Salinas de Gortari on Wednesday a mistake, and vowed to appeal.

Under questioning, Ms. Mitchell in-

Away From Politics

- **The space shuttle Columbia** touched down in Florida at sunrise Thursday after completing a research mission left unfinished in April. *(Reuters)*
- **The U.S. Air Force** has issued a terse press release insisting that the band leader Glenn Miller died in a plane crash in the Channel. "A German newspaper, Bild, claims it knows the 'true' cause of death," the statement says, referring to the paper's story that Mr. Miller died of a heart attack in the arms of a French prostitute in 1944. "The report is incorrect." *(WP)*
- **Rangers from the National Park Service** began a historic effort this week to round up 2,000 feral sheep and ship them from Santa Cruz Island, off the California coast, to the mainland. *(LAT)*
- **Chimpanzees not needed for science experiments** should be placed in zoos or preserves rather than killed, a committee of the National Research Council said. It said putting the animals to sleep was unacceptable because "they are more like humans than other laboratory species," adding, "Simply put, killing a chimpanzee currently requires more ethical and scientific justification than killing a dog." *(AP)*
- **Four mining fatalities** on a single day, in Virginia and Pennsylvania, have prompted federal officials to order nationwide mine inspections. *(AP)*
- **Three Cuban men** accused of forcing a pilot to fly from near Havana to Florida have been acquitted of air piracy charges. Leonardo Reyes Ramirez, 28, Adel Regalado Ulloa, 23, and Jose Roberto Bello Puente, 23, had faced a minimum of 20 years in prison. The Tampa, Florida, jury deliberated for less than an hour. *(AP)*
- **Two weeks after its ban on gas-powered leaf blowers took effect,** the Los Angeles City Council has voted to delay enforcing the new law until January to give the police time to figure out how to make the whole thing work. *(LAT)*
- **The American Camping Association** has agreed to pay $1 a year to the American Society of Composers, Authors and Publishers, which licenses millions of songs, including "Happy Birthday" and "God Bless America," so that each of the youths at the 2,000 summer camps it represents can sing songs around campfires. *(AP)*

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THE WORLD'S DAILY NEWSPAPER

Romania Investment Summit

Athenée Palace Bucharest Hilton, October 29-30, 1997

Romania is increasingly attracting the attention of the international investment community. To assess future investment potential and to highlight the reforms Romania is putting in place in a bid to position itself as one of the more exciting investment opportunities in the world, the International Herald Tribune will convene a major investment summit in Bucharest on October 29-30, 1997.

President Emil Constantinescu will give the opening keynote address of the Romania Investment Summit. He will also host a special dinner for speakers, delegates and guests on the evening of October 29 at Cotroceni Palace.

The fact that President Constantinescu has agreed to support this summit as an integral part of the Romanian government's efforts to attract foreign investment is a measure of the importance of the summit.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

ASEAN Seeks a Solution in Cambodia

Compiled by Our Staff From Dispatches

BEIJING — Southeast Asian diplomats won approval Thursday from King Norodom Sihanouk of Cambodia and support from China to mediate in the struggle for control of Phnom Penh.

"We hope we can play a role to bring the parties together and see if there is any way their differences can be reconciled," Foreign Minister Ali Alatas of Indonesia said after the Association of South East Asian Nations delegation met with the monarch at his Beijing residence and then with Foreign Minister Qian Qichen of China.

But the coup leader in Cambodia, Second Prime Minister Hun Sen, said he would not back down and dismissed criticism of his replacement of the king's son, First Prime Minister Norodom Ranariddh.

Following a cabinet meeting that featured his nominee for new first prime minister, Foreign Minister Ung Huot, Mr. Hun Sen shrugged off the United States' rejection of the appointment.

"The *main* concern for us is to please the Cambodian people," Mr. Hun Sen said.

Mr. Alatas, along with Foreign Ministers Prachuab Chaiyasarn of Thailand and Domingo Siazon of the Philippines, arrived in Beijing late Wednesday for an audience with King Sihanouk and 45 minutes of separate discussions with Mr. Qian to seek a peaceful solution to Mr. Hun Sen's coup of July 5.

Reuters

Hun Sen, left, greeting Ung Huot as Justice Minister Chem Snguon looks on.

"The king clearly gave his blessing and support for this," Mr. Alatas said, "and Mr. Qian said the Chinese government hoped ASEAN's efforts would be successful."

But Beijing edged closer Thursday to recognizing Mr. Hun Sen's coup, as a Foreign Ministry spokesman, Tang Guoqiang, urged Cambodians to work out a solution.

Mr. Qian also said China opposed any excessive outside interference.

"We hope various parties concerned follow the guideline of national reconciliation advocated by Sihanouk, restore tranquillity as soon as possible and make concerted efforts for peace, stability and development in the country," he was quoted as saying by the official Xinhua press agency.

But, he added, "What has happened in Cambodia belongs to internal affairs."

After the ouster of Prince Ranariddh, ASEAN decided last week to postpone Cambodia's scheduled admission to the regional association this month.

Mr. Alatas said the decision was a temporary one, while Mr. Hun Sen said from Phnom Penh that he was hoping for swift admission in "the coming days."

"ASEAN does not intend to interfere," Mr. Alatas said. "Our efforts cannot be construed as taking sides."

"We did not pass judgment on who was wrong or right, but there were armed clashes, high tensions and instability and under these circumstances, we thought it was a wise thing to postpone Cambodia's admission as a full member," the foreign minister said.

Following talks in the Chinese capital, the three ministers were to go to Bangkok to meet Friday with Prince Ranariddh, then fly Saturday to Phnom Penh for talks with Mr. Hun Sen.

Mr. Hun Sen urged King Sihanouk, who is undergoing medical treatment in China, to return home to preside over the elections — another way to legitimize his government.

King Sihanouk has insisted that he will not take the side of his son, Prince Ranariddh, although he has demanded an end to the torture and killing of Mr. Hun Sen's opponents.

Outnumbered and outgunned, forces loyal to Prince Ranariddh have been retreating across northern Cambodia. They have said they are running out of ammunition but will make a stand south of the Thai border.

Mr. Hun Sen's military adviser, Mol Roeup, said Phnom Penh was discussing an end to hostilities with the pro-Ranariddh forces. But another Hun Sen supporter involved — Kang Heng, the deputy governor of Siem Reap province — said there had been no progress.

(AP, AFP, Reuters)

North Korea Rejects Protest Over DMZ Clash

Compiled by Our Staff From Dispatches

SEOUL — The United Nations Command protested Thursday to North Korea over a clash Wednesday inside the demilitarized zone, but the North rejected the protest, the command said.

The rejection came as the United States and China said they hoped that the incident would not derail preparatory peace talks scheduled for Aug. 5 in New York, which could prevent future clashes on the tense border.

Jim Coles, a spokesman, said the UN Command had delivered the protest to the Korean People's Army at the truce village of Panmunjom.

He said the Korean delegation "did not accept the protest."

Mr. Coles said that the note specified that the shooting had taken place within the demilitarized zone between North Korean troops and South Koreans under the UN Command, and that the North Koreans had violated the armistice.

The North has declined to recognize the UN armistice since June 1995, saying it was a relic of the Cold War and should be replaced with a new treaty between Pyongyang and Washington.

The United States has refused, proposing instead four-party peace talks — among Washington, Beijing, the North and South — to work out a permanent peace on the peninsula.

Asked if the incident would disrupt those talks, Tang Guogiang, spokesman for the Chinese Foreign Ministry, said they would "begin soon."

"We hope all sides in Korea will safeguard peace and stability and deal with the situation calmly," he added.

The fighting Wednesday, which involved rifles, mortars and heavy machine guns and left several North Korean soldiers wounded, demonstrated the urgency of the talks, which if successful would lead to full peace talks.

Michael McCurry, President Bill Clinton's press secretary, said that the "ongoing hostility" and absence of a peace agreement between the two Koreas are "precisely the reason why the president and the president of the Republic of Korea advanced the proposal for four-party talks."

He added: "We hope that the dialogue that we are seeking to foster will create a more secure, safer, more peaceful environment on the Korean peninsula. That's the answer to incidents such as the one that's occurred."

The U.S. Senate voted unanimously Wednesday to halt additional economic aid to the North if it again violated its armistice agreement with South Korea.

Senator Frank Murkowski, Republican of Alaska, won approval for an amendment to a foreign spending bill that ordered President Clinton to certify that North Korea is in compliance with the armistice for nine months before any additional aid is delivered.

Officials in Seoul said the border incident had not hindered a test run by two South Korean boats, a tug and a barge, to a proposed nuclear reactor site in North Korea. It arrived safely on Thursday morning. *(AFP, Reuters)*

BRIEFLY

Douglas E. Curran/Agence France Presse

Mr. Narayanan and his wife, Usha, celebrating Thursday in New Delhi after he was elected president by Indian legislators. The post is largely ceremonial.

India Presidential Vote Breaks a Caste Barrier

NEW DELHI — Kocheril Raman Narayanan was proclaimed president of India on Thursday, becoming the first Hindu "untouchable" to hold the post of head of state.

Mr. Narayanan, 75, won nearly 95 percent of the vote Monday, domestic news agencies said, defeating the former chief election commissioner, T. N. Sheshan. Mr. Narayanan, who is now the vice president, will be sworn in after the five-year term of President Shankar Dayal Sharma ends next Thursday.

Nearly 5,000 national and state lawmakers voted in the election in 27 Indian states and union territories. *(AFP)*

Macau Cautions China On Sending In Troops

LISBON — The governor of Macau has said no provision exists for China to base troops in Macau after the Portuguese territory reverts to Beijing's rule in 1999.

After talks here Wednesday with President Jorge Sampaio of Portugal, Governor Rocha Vieira said the presence of Chinese troops in the enclave was not provided for in the joint declaration signed by China and Portugal in 1987.

"The absence of troops in Macau at the present time allows us to think that there will not be any after 1999 either," Mr. Vieira said.

He acknowledged, however, that Beijing would have the final say on questions of defense and foreign affairs after the handover on Dec. 20, 1999. *(AFP)*

North Korea Lifts Ban On Japan Home Visits

TOKYO — North Korea said it would lift a ban that has prevented Japanese women who are married to North Koreans from leaving the country to visit their homeland.

The official North Korean press agency, KCNA, said late Wednesday in a dispatch monitored here that arrangements were being made to allow the women, estimated to number about 1,800, to visit Japan soon.

Most of the women, now in their 70s, married their Korean husbands in Japan and followed them to North Korea from 1959 to 1982. They were caught in a deterioration in ties between the two countries, which have no diplomatic relations. *(Reuters)*

Smoking's Toll in China

BEIJING — Lung cancer deaths in China have been rising an average of 4.5 percent a year since 1990, an official of the Chinese Association on Smoking and Health said, and the number of smokers has steadily grown over the last decade.

From 1984 to the end of last year, the proportion of the population that smoked increased by 3.74 percentage points, to 37.6 percent, the official said. Early deaths, lost productivity and treatment of tobacco-related illness cost 70 billion yuan ($8.4 billion) in 1994, up from 15.9 billion yuan a decade earlier. *(Reuters)*

77 Killed in Sri Lanka

COLOMBO — A battle set off by a Tamil rebel attack on a stretch of highway in northern Sri Lanka killed at least 77 people from both sides, a military spokesman said Thursday.

"There was close-quarter fighting with mortars and small arms," said the spokesman, Brigadier Sarath Munasinghe.

Seventeen government soldiers were killed in the battle Wednesday near Nedunkeni, 340 kilometers (210 miles) northeast of Colombo, he said. More than 60 rebels also were killed, he said. Government forces have captured about one-fourth of the 88-kilometer highway in two months of trying to open a land route into the government-controlled Jaffna Peninsula. *(AP)*

Young Japanese Travelers Turn to Asia for Adventure

The Associated Press

TOKYO — Yusuke Ushioda just can't imagine himself walking behind a tour guide, camera at the ready at each must-see landmark.

Like an increasing number of Japanese youths, when planning a trip abroad, he sought adventure and spontaneity. His answer: a journey into the backwaters of Asia.

Industry experts say a new breed of young Japanese, traveling alone and on shoestring budgets, are shying away from the regimented group tours that are a hallmark of Japanese tourism.

The increasing number of young Japanese travelers to other Asian countries may also be a sign of a deeper change in the way Japanese view their place among the Asian neighbors they once looked down upon — or sent their armies to conquer.

"For a long time, the Japanese admired the West and that's where they wanted to visit," said Toshiharu Nishikawa, editor of a popular travel magazine, Chikyu-no-Arukikata, which translates as How to Walk the Globe. "But many Japanese are finally beginning to realize they can have much more fun in Asia."

Mr. Ushioda, 22, had no itinerary when he traveled alone to India. Instead of recounting the wonders of Calcutta or the Taj Mahal, he came back boasting that the highlight of his trip was a sunset in remote Mysore.

"Awesome," he said. "I feel more relaxed and comfortable being around other Asians, and I don't have to feel intimidated by big and tall Westerners," he said.

The trend is definitely shifting toward Asia, said Hideki Kumon, a spokesman for HIS, a large travel agency.

"People can feel comfortable about cultural similarities but have exotic experiences at the same time, and they like both," he said.

Banned for centuries by the feudal government, travel abroad grew just a few decades ago when Japan began to rise from the ruins of World War II as one of the world's richest nations.

The number of Japanese traveling to other Asian countries has grown substantially in the last 10 years. In 1996, 7.5 million Japanese traveled in Asia, up from 2.7 million a decade earlier. Some 5.2 million went to the United States, up from 1.8 million, while 2 million went to Europe, compared with 580,000.

But in the past, Japanese tourists have tended to be timid — most venturing abroad in groups on package tours that often featured shopping for luxury goods such as Gucci shoes, Armani suits and Coach handbags.

A backlash against such rigid supervision and conspicuous consumption drives the trend toward Asian travel.

Kisei Kobayashi, who recently wrote a book on Japanese travelers in Asia, said holidays in North America or Europe have lost much of their potency as status symbols and are seen by many as passé.

"The kind of things people would see in the United States or Europe would not be much different from what they already have at home," he said.

"In Asia, economies are surging and people are smiling and full of energy. And yet, there are still a variety of problems, including poverty and political instability. That political hodgepodge is what makes Asia so interesting."

But the thrill of going into the unknown alone is not without risk, especially for young people accustomed to the safety of Japan's cities. The Foreign Ministry has put out a video and pamphlet urging Japanese travelers to remain alert.

Jiro Akiba, who quit his job to go on a three-month Eurasian journey last year, had his video camera stolen but says he learned a valuable lesson.

"I've always wanted to see the places I only knew from TV," he said. "I could really see while I was in some of the poorest countries that there are more precious things than material wealth."

Burma's Leader Meets With Opposition Party

Reuters

RANGOON — The military leader of Burma met with the chairman of Daw Aung San Suu Kyi's party on Thursday, but the talks did not signal the start of a political dialogue, government and National League of Democracy officials said.

The meeting between Lieutenant General Khin Nyunt, head of the ruling State Law and Order Restoration Council, and Aung Shwe of the democracy party and two other senior members was the first between top military rulers and the opposition since Daw Aung San Suu Kyi was released from six years of house arrest in July 1995.

Party officials said the meeting was arranged so Mr. Aung Shwe could explain to the military government that the party and Daw Aung San Suu Kyi were not involved in terrorist activities and that they had not received foreign financial assistance from some Western countries.

In June, General Khin Nyunt accused the league of accepting $85,200 from two covert U.S. agents this year. He had also linked the league and exiled opposition groups to bombings in Rangoon.

The National League of Democracy has denied both charges.

"Yes, they went to talk and explain their position to the officials," U Tin Oo, the league's vice chairman, said of the meeting. "But this is not a dialogue with the SLORC. Without Suu Kyi included in any talks it is not dialogue."

"But we welcome talks in general," he added. "We would also welcome any dialogue with the SLORC if it is in the genuine spirit of reconciliation."

It was not immediately clear why Daw Aung San Suu Kyi was absent from the meeting.

A council spokesman said the discussions were held in a cordial atmosphere, and they centered on the country's political and economic situation.

When asked whether he would call this the start of a dialogue between the two sides, the spokesman said: "I won't term it that way."

The council has detained and later released thousands of National League of Democracy members and curbed the party's political activities.

A statement issued by the league after the meeting said that General Khin Nyunt had advised the party and Daw Aung San Suu Kyi not to create unnecessary unrest or disturbances and not to confront the council or obstruct its activities.

"U Aung Shwe explained to Khin Nyunt that the NLD does not accept foreign assistance on principle. Aung Shwe also suggested to Khin Nyunt that it would be good for him to meet Suu Kyi," the statement said.

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For EU Hopefuls to East, Many Hurdles Remain

By Peter S. Green
International Herald Tribune

PRAGUE — As the euphoria of winning a chance to enter the European Union recedes, the potential EU members are bracing themselves for a difficult passage that will involve deep and in many cases painful reforms, leavened with a massive dose of EU aid.

The EU's invitation on Wednesday to five Central and East European countries — the Czech Republic, Poland, Hungary, Slovenia and Estonia — to begin negotiations to join the Union in the future was accompanied by assessments of the reforms the countries would be required to begin undertaking.

The long lists of reforms included such areas as capital-markets regulation, industrial restructuring, nuclear safety, inflation eradication and farm reform.

"It's a hell of a lot of work, but I think we have been aware of it before," said Pavel Telicka, chief of the EU department at the Czech Foreign Ministry, adding that the assessments were "a useful mirror."

The Czechs, for instance, are being told to clean up their opaque financial markets and strengthen corporate governance.

Like several other applicants, the Czechs will also be required to implement reams of EU regulations, which will require reforming their legal system.

Poland will face its biggest hurdles in agriculture. One fourth of the country's population tills the earth, many with horse-drawn plows. But Piotr Nowina-Knopka, vice chairman of the Parliament's EU committee, said the Poles would not be able to reform their agriculture alone. He added, however, that the EU's Common Agricultural Policy, which provides subsidies to EU farmers, would benefit Polish farmers, but could also act as deterrent to reform.

He said: "I can understand the Polish farmer who says: 'Why should I change if I will be comfortable under the CAP. The impetus to change should come not only from Polish politicians but also from the EU."

Poland's banking sector also needs reform, and the EU's assessment cast doubt on the ability of the country's large state-owned industries to face serious foreign competition.

Estonia won points for deregulating trade and prices, and for its privatization efforts. But its bureaucracy was described as one of the main stumbling blocks to EU admission.

EU country officials say many East European countries lack experienced civil servants to negotiate with Brussels and implement EU regulations.

"Many of these countries still need a civil-service law, and they have a great deal of difficulty attracting the kind of competent and talented people they need to make accession work," said an EU official, who spoke on condition of anonymity.

The Czechs have hired a former EU commissioner, Henning Christophersen of Denmark to help them prepare for the negotiations on EU admission. "We also have to be sure that our institutions at home are ready to implement and enforce the legislation," Mr. Telicka said.

Hungary was singled out for further improvements in the environment, customs, and reform of its energy sector. It was warned that it must rein in its budget and trade deficits, but overall was one of the most highly praised candidates.

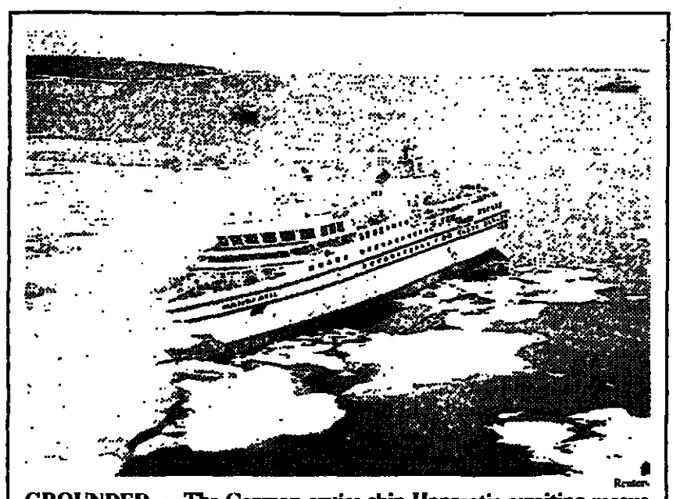
Slovenia, which has the highest per capita income of the five candidates, was told to make its economy more flexible. The EU said more enterprises would have to be restructured, along with its banking and finance sectors, before Slovenia would receive badly needed foreign investment.

Overall, the assessments said struggling heavy industries, inefficient farm sectors and bloated public sectors would probably be the biggest challenges to the applicants.

To help the countries along, the Commission recommended a massive transfer of cash and know-how, requiring spending of about 2.7 billion Ecus ($2.98 billion) annually, mainly on training projects, infrastructure, and agriculture.

Economists said the candidates would not attract the subsidies and transfers that Spain and Portugal won when they joined the Union, or that have propelled growth in Ireland, especially at a time when the EU was under pressure to cut subsidies to its own poorer regions, its own heavy industry is failing and unemployment is over 10 percent across the Union.

"There is no mood in the core of Europe to take on partners who will be expensive burdens," said Roger Monson, chief equities strategist for Daiwa Europe Ltd.



GROUNDED — The German cruise ship Hanseatic awaiting rescue Thursday in the Arctic. A Norwegian coast guard cutter pulled it off the rocks, allowing the 145 evacuated passengers to get back on board.

Serbs' Threats Keep Bosnian Pressure Up

By Mike O'Connor
New York Times Service

SARAJEVO, Bosnia-Herzegovina — The Bosnian Serb authorities are threatening widespread retaliation against NATO soldiers if they try to make further arrests of war crimes suspects, UN officials said.

NATO officers have privately warned the Bosnian Serb authorities that they will respond militarily if the Serbs retaliate against the international force in Bosnia. But the officers say they are deliberately leaving vague the question of precisely what circumstances would trigger a NATO reaction, and what form it would take.

In public statements, Bosnian Serb leaders have denounced the arrests, but at the same time they have urged people not to retaliate. News coverage and commentaries on state-controlled Bosnian Serb television and radio, on the other hand, have been inflammatory.

News broadcasts call the NATO action illegal and, in a message calculated to generate widespread antipathy toward the North Atlantic Treaty Organization, suggest that any man who served in the Bosnian Serb Army during the war that ended a year and a half ago could be subject to arrest. But only the handful of people indicted by the war crimes tribunal in The Hague face apprehension.

After increasing their alert status on Friday, NATO forces returned to normal by Tuesday.

Pamphlets threatening attacks on NATO forces have appeared in several towns. One pamphlet says, "Somalia was too gentle," in a reference to the killing of 18 U.S. Army Rangers in Somalia after they sought to arrest the leader of one of the factions there. A UN official said police had been seen distributing the pamphlets in one town.

Apart from the NATO forces, the largest international group in the Serbian-held part of Bosnia is the UN police monitors, numbering about 800. Many of them are Americans. There are about 200 other foreigners who regularly work for international agencies in Bosnian Serb territory.

The threats are a familiar tactic. The Bosnian Serbs were able to stop air strikes against them in 1995 by taking UN peacekeepers hostage. Fear of retaliation has often crippled the peacekeeping mission. Until last week the prospect of retaliation against NATO soldiers or international organizations was used as an argument against arresting war crime suspects.

"The Serbs are very good at this game," a senior UN official said. "They know they can promise to cooperate, but then someone throws a grenade here or makes a small attack there, and it all keeps the pressure up."

■ British Base Is Attacked

Several explosive devices were hurled at a British base in Bosnia on Thursday in the fourth apparent retaliation for a NATO operation against two Serbs indicted for war crimes, Reuters reported from Sarajevo.

The devices — possibly hand grenades — were lobbed into the base's parking lot in the Bosnian Serb-controlled town of Banja Luka, Western officials said Thursday.

British peacekeeping soldiers fired warning shots and detained four suspects after the incident, a NATO officer said. The suspects were turned over the Serbian authorities.

Gonzalez Admits 'Dirty War,' but Denies Approval

By Craig R. Whitney
New York Times Service

MADRID — Felipe Gonzalez, who has been accused of condoning a "dirty war" against Basque separatists after he became prime minister in 1982, has acknowledged for the first time that state authorities may have gone too far in their struggle to curb the widespread violence.

Anti-terrorist killings could have been carried out by police and paramilitary forces then, Mr. Gonzalez said in an interview with The New York Times, but only because the fledgling democracy after the 36-year Franco dictatorship was too weak to stop them.

He went on to deny that he had ever been asked to approve such actions by the military or the police against terrorists, as at least one convicted lower-level official has charged.

Mr. Gonzalez was the head of Spain's government for 14 years, until his Socialist Party lost last year's elections. He spoke on condition that he not be directly quoted, but he made similar allusions in a recent interview with the Spanish newspaper El Pais.

State violence from 1983 to 1987, commonly referred to here as the "dirty war," claimed 27 victims, some mistakenly assumed to have been Basque terrorists. Basque separatist violence is said by the Spanish authorities to have taken 800 lives since 1968.

Mr. Gonzalez said that the only extralegal police or military actions that occurred during his prime ministership were those he had been unable to find out about and stop.

The police and the military at the time were still dominated by officers appointed during the dictatorship, he said, and reactionary senior officers attempted a coup in 1981 to try to stop the government from giving more autonomy to the Basques and other regional populations that had grown restive under the Franco regime.

Mr. Gonzalez, now 55, previously denied any knowledge of how a shadowy organization called the Anti-Terrorist Liberation Groups, formed in the early 1980s, apparently with police and military support, killed 27 people they believed were terrorists, until it stopped operations in 1987.

No charges have been brought against Mr. Gonzalez, but a score of police and military officials under him, including a former interior minister, have been charged, and several have been convicted.

Last winter the Spanish Supreme Court ordered the government to declassify a trove of documents relating to the Anti-Terrorist Liberation Groups, so that prosecutors could use them as evidence. The prosecutors have not excluded the possibility of a case against Mr. Gonzalez.

If he has to answer one, he said, he will argue that putsches and the dirty war were both responses to terrorism, and that as prime minister he managed to stop the first two but not the last.

"People don't want to understand that we inherited a state apparatus in its entirety from the dictatorship," he said to El Pais, "that terrorist aggression was continually inciting the forces of counterrevolution."

■ Blast Rips ETA 'Safe House'

An explosion erupted in an apartment believed to be a hideaway for Basque ETA guerrillas on Thursday, Reuters reported from San Sebastian.

With Spain still angry over the slaying of Miguel Angel Blanco Garrido, the police reported a blast possibly triggered by bomb-making materials in an ETA "safe house" in Durango. The people in the apartment fled. The police said they found weapons in the apartment.

CNN Rejects Demand to End ETA Web Link

Reuters

MADRID — Cable News Network has rejected a request from the Spanish government to remove a link from the cable channel's World Wide Web site to that of the Basque guerrilla group ETA, according to people close to the government.

"The government has sent a letter to CNN to say ETA is a terrorist organization and the direct link to it on the Internet should be removed," an official inside the office of Prime Minister Jose Maria Aznar said.

In rejecting Spain's request, Steve Haworth, a spokesman for CNN, said it was standard practice to provide a link to the Web site of an organization in the news. He said CNN would gladly add links to any Web sites at the Spanish government's request, but he said: "We don't plan to take off the links that they asked us to take off. We believe more information is better than less."

Spain is still in shock at the recent ETA slaying of a municipal councilman.

BRIEFLY

No Statue for Le Pen

STRASBOURG — The French extreme-rightist leader Jean-Marie Le Pen paid tribute to Joan of Arc before an empty pedestal Thursday after her statue was whisked away for repairs to thwart an earlier demonstration.

Mr. Le Pen denounced as "a base political maneuver" the decision by Catherine Trautmann, Strasbourg's former mayor and now the French culture minister, to remove the statue in April when his National Front held a congress in the city. The statue is to be replaced in the autumn.

Mrs. Trautmann made it clear at the time that she was exasperated that Mr. Le Pen had "annexed" Joan of Arc as a symbol for his anti-immigrant movement. *(Reuters)*

Cyprus Police Plans

NICOSIA — The Turkish Cypriot leader, Rauf Denktash, has proposed setting up joint Greek and Turkish Cypriot police units to monitor the buffer zone on the divided island.

Mr. Denktash said such a force was necessary with the approach of the July 20 anniversary of the Turkish invasion of the island, traditionally a time of tension between the Greek and Turkish Cypriot communities.

"I will propose the establishment of joint Greek and Turkish special police units, to work together with the UN peacekeeping force in the buffer zone," he said Wednesday on returning from talks in New York. *(Reuters)*

10 Russian Cadets Die

MOSCOW — A three-story dormitory at a military school in the Siberian city of Tomsk collapsed just before reveille Thursday, killing 10 cadets and injuring dozens more, the authorities said.

Forty-three people were hospitalized, 10 in serious condition, said Tatyana Timoshenkova, a spokeswoman for the Emergency Situations Ministry in Moscow. One cadet remained trapped under the debris Thursday evening.

The daily 6 A.M. wake-up call was only minutes away at the time and many of the 120 cadets in the dormitory would have been outside had the collapse come a little later, officials said. The building, constructed before the 1917 Bolshevik Revolution, was part of a military communications college run by the Russian Army. It last underwent repairs in the mid 1950s, officials said. *(AP)*

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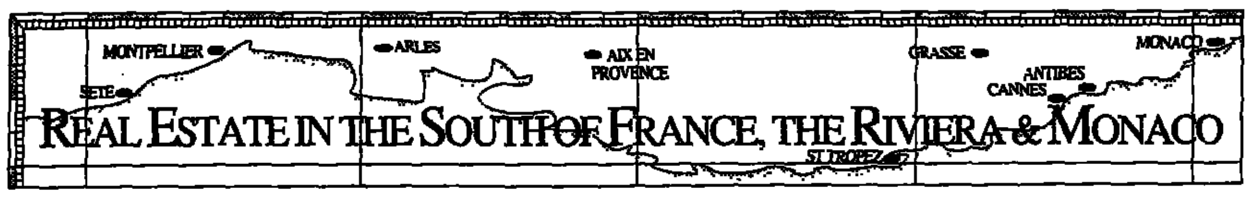

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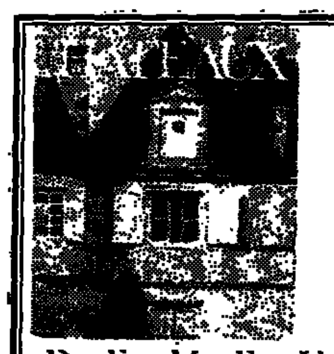

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INTERNATIONAL

Ground Control to Mir: 'Shape Up'

Reuters

KOROLYOV, Russia — For a brief moment Thursday, the flight director, a veteran cosmonaut himself, lost patience with the crew of the crippled Mir space station, which is fighting for survival after its power system malfunctioned.

"This is a kindergarten," said a frustrated Vladimir Solovyov, the head of the Mission Control center outside Moscow, after ending a conversation with the crew of the Mir station, who had set off a new crisis by mistakenly unplugging a vital computer.

"Have you switched off everything?" he shouted during a radio linkup as crewmen sat in the Mir's escape capsule. "Switch off everything on the left side!"

Experts crowded around terminals in the computer-filled central hall trying to figure out a solution to the latest challenge.

"There is a tension in a hall," said an engineer. "But there is no panic. We are under constant pressure with something new happening every day."

Yet five rows of monitors on the wall were blank throughout the day as the Mir, deprived of most of its energy after the incident, was unable to transmit video data.

Outside the main Mission Control hall, Russian and National Aeronautics and Space Administration officials sat under a bust of Vladimir Lenin and a mosaic of the first man in space, Yuri Gagarin, as they examined detailed photos of the Mir interior.

"You're over-stressed and it would be good if you could remember 50 percent of what I say," a Russian told a NASA official.

Tension in Mission Control peaked as the orbiting crew came into radio contact every hour or so as they passed over radio relay stations on their orbits of Earth.

"What alarm is that going off?" Mr. Solovyov asked the crew at one point.

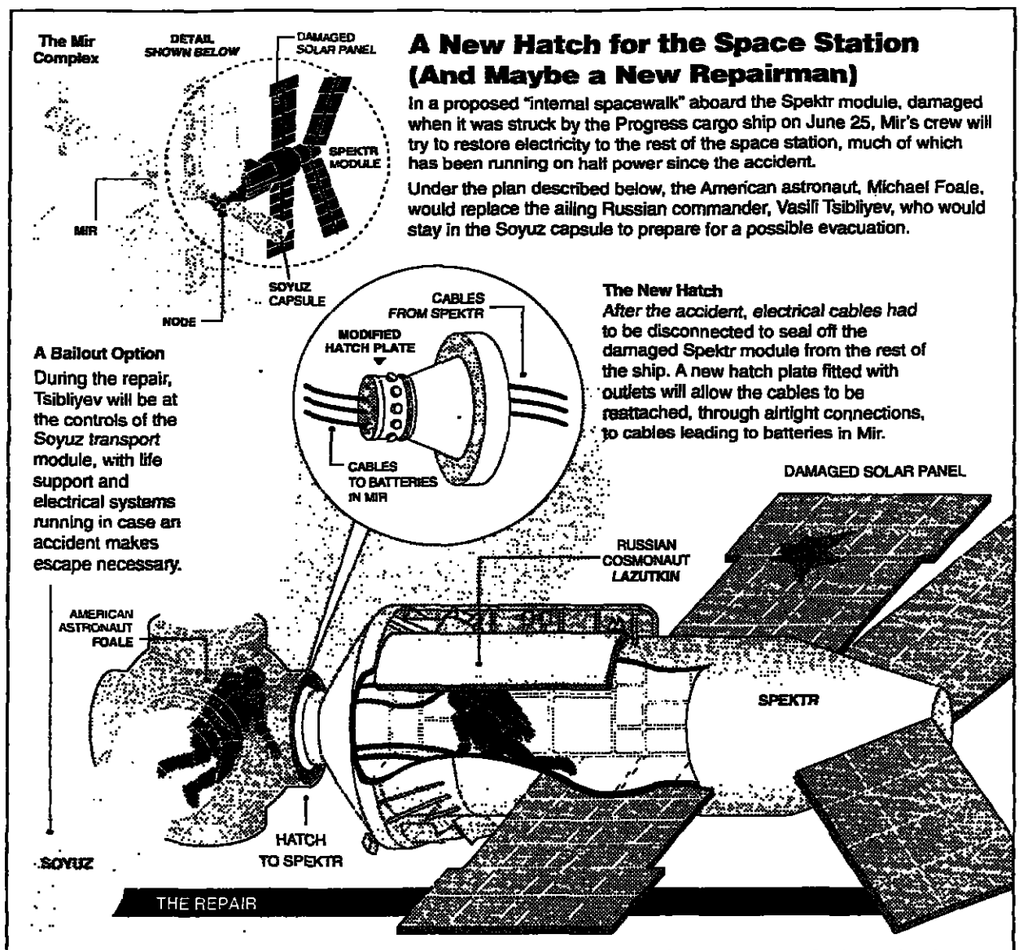
A small crowd of engineers gathered at the side of the room to watch. Some gave quick advice as they watched the seconds tick away to the end of the communications window.

Many expressed confidence that the problem could be overcome. But with the power off in the station's main module and the oxygen supply limited, the crew were clearly working against the clock to save the station.

Officials said the pressure and temperature inside Mir should be fine for two or three days more and the oxygen supply could last five days.

Mission Control officials said they had weathered similar crises before.

"The situation is no worse than it was when they turned off the orientation system after the crash on June 25," said Viktor Blagov, the deputy flight director. "This is not the first occurrence and we have always succeeded before."



Mars Rover Scoots Toward New Rock

Compiled by Our Staff From Dispatches

PASADENA, California — The Sojourner rover moved Thursday toward the martian rock scientists have dubbed Scooby Doo, completing a 3.5-meter leg of its longest excursion on the planet's surface.

Scientists and engineers at NASA's Jet Propulsion Laboratory in California said the rover would first chemically analyze the soil between Scooby Doo and Yogi, the rock that was its last target. When it reaches Scooby Doo, it will make a 10-hour analysis of the rock, using its alpha proton X-ray spectrometer.

The Pathfinder lander, which carried the rover to the martian surface, resumed normal transmission of data to Earth late Tuesday and early Wednesday with no repeat of computer trouble that had temporarily halted communication three times in a week.

MIR: *Crew Disables Guidance System*

Continued from Page 1

"they have gotten control of things and there seems to be no immediate crisis."

Mr. Clinton said the United States had not yet decided whether to send astronauts to Mir in the future. "It's too soon for me to draw a conclusion," he said.

The mishap Thursday has forced yet another delay in the repairs. After several postponements, Russian officials had hoped that the repairs could begin July 24 or July 25. Now, however, they expect them to be delayed by several additional days at the very least.

First, the crew needs several days to recharge the solar batteries. This is done by firing the jets of the Soyuz space craft docked alongside the space station to keep Mir's solar arrays directed at the sun.

Also, the crew has been instructed to take the weekend off and get more rest. That is an implicit recognition that fatigue is believed to have played a role in the mistake Thursday. The Russian crew members were reported to have had a sleepless night.

"This was purely human error," Mr. Solovyov said.

The problem began when one of the crewmen — Russian space officials declined to say just who — yanked a cable while preparing for the repair mission.

The cable disabled the computer that controls Mir's orientation, and the space station started to drift, Mr. Culbertson said. A backup system failed.

With the solar arrays no longer pointed at the sun, power was drained out of the space station's batteries. Light, temperature control and oxygen generation equipment was shut down to save energy. Data transmissions to ground control were cut off. The crew moved to Soyuz and used its systems to communicate with ground control.

The mission control center and the Mir crew worked quickly to reorient the solar arrays by firing the jets on the Soyuz rocket. Thursday evening, Russian officials said that the batteries were being recharged and that they hoped to restart the gyroscopes that control the space station on Friday.

TRUTH: *Apartheid Inquiry Did Not Always Relieve the Pain*

Continued from Page 1

More galling for many of the victims is that, while they have received nothing, dozens of those responsible for murder and torture have already been set free by the commission.

"They get a lot of attention at the hearing," said Viola Lengner, one of the commission's "briefers," whose job has been to prepare victims to testify and is one of the people to whom victims tend to turn weeks later. "But afterwards nobody cares."

Officials of the Trauma Center for Victims of Violence and Torture, a nonprofit group that offers services to victims in the Cape Town area, say 50 to 60 percent of the dozens of victims they have talked to in the last year have said they suffered difficulties after testifying or expressed regret.

"My impression is that the commission has actually made many people more embittered," said Thomas Winslow, assistant director of the Trauma Center. "It opens the patient up and then walks away. In some ways, they feel they are just being used as a public spectacle."

The gory and heartbreaking stories the victims have told have gripped this country and may have enlightened those who had failed to see the extent of the brutality of the former government. For that reason, the commission may be doing the nation and future generations an immeasurable service. But many of those close to the process have begun to question whether the commission has done the individual victims much good.

Psychologists point out that going public may not be good for everybody. It can fulfill the need an individual has to tell his experiences and be heard by important people. But it can also reawaken old fears.

"You are not walking into a therapeutic situation when you go to the Truth Commission," said Trudy de Ridder, a clinical psychologist at the Tramma Center. "You are walking onto a stage and that is extremely anxiety-producing. They are surrounded by beautiful tablecloths and flowers and it's a public occasion. So is the sense of relief they feel afterwards because they told about their trauma or because the ordeal of going before the commission is finally over?"

The commission, which is expected to disband in January and issue a report in March, is an attempt to heal the wounds of the past without the expense and political divisiveness of trials.

It was charged with three jobs — uncovering the truth about what happened, offering amnesty to those who confessed their role in atrocities and making recommendations for reparations. Armed with the stick of subpoena power and the carrot of amnesty, it is easily the broadest, most powerful such commission ever created. In other countries, like Chile, such commissions have simply taken testimony from victims in private.

But victims' advocates, psychologists and Truth Commission workers say that the commission, assembled in haste and with nothing to model itself on, has often been insensitive to the victims — treating the hearings like a cure-all when they actually can be quite painful.

For one thing, many victims really did not understand that they had a choice not to go public. Although the commission had merely sent out letters of invitation, many of the poor and uneducated saw only the fine stationery and the official seals and thought that they were obligated to appear.

In several cases, Mrs. de Ridder said, commissioners put enormous pressure on victims to testify because they wanted noteworthy events illustrated by people who had been there. In at least two cases, she said, victims who were reluctant to come forward suffered psychotic episodes after testifying.

In another case, the commission surprised a group of mothers with a videotape of the scene where their sons were murdered. The tape showed close-ups of their sons' mutilated bodies. One of the mothers became disoriented and had to be taken from the hearing room to a hospital.

Reparations may well soothe the victims — and many are still hopeful. Early on, the commission, noting that South Africa was still facing enormous financial problems, talked of symbolic reparations such as monuments or scholarships in the name of victims. But in recent months, the commission has come out in favor of pensions.

Battle Lines Drawn as UN Tries Reform

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — Germany and France on Thursday applauded the sweeping reform plans for the United Nations bureaucracy announced by Secretary-General Kofi Annan and promised to support the measures fully.

But the plan was greeted with skepticism by developing countries and outright opposition by conservative critics in the U.S. Congress.

Third World diplomats said they feared that change would be limited to cutbacks in development programs they strongly support. U.S. critics want such programs eliminated and the United Nations scaled back even further.

Senator Rod Grams, Republican of Minnesota, said the plan "represents nothing more than the status quo" and that Congress must prevent the United Nations from becoming "a country club for diplomats."

But Foreign Minister Klaus Kinkel of Germany said Mr. Annan was sending a positive signal and it was now up to the 185 UN members to throw their support behind the proposals.

"We cannot allow the impetus that the secretary-general has given to the reform with his report to be talked to death," Mr. Kinkel said. "We need a slimmed-down, efficient UN today more than ever."

In Paris, a Foreign Ministry spokesman, Jacques Rummelhardt, said France would support Mr. Annan in his attempt

> **'We are not interested in mere cost-cutting.'**

to flesh out proposals that "for the main part were suggested by the European Union."

"We will be vigilant to ensure that the fruits of the reform benefit countries of the Third World first of all, as the secretary-general has promised," Mr. Rummelhardt said.

On Wednesday, Mr. Annan proposed the most sweeping organizational changes in UN history, vowing to streamline the bureaucracy, reduce staff and cut budgets. The plan seeks to reduce administrative costs by 30 percent and enable the United Nations to continue its work with 25 percent fewer employees than in 1985. It also recommends that the General Assembly shorten its annual session, revise its budget formula and appoint a commission to study changes in the UN Charter and independent UN agencies over which Mr. Annan has limited control.

The Republican-led U.S. Congress has refused to pay the $870 million it acknowledges the United States owes the United Nations unless specific changes are made at the world body.

But UN officials say some of those demands require approval of other UN members that do not share the Congress's views.

"We are not interested in mere cost-cutting," said New Zealand's UN representative, John Powles. "And we most emphatically disagree with suggestions which would leave the United Nations with a diminished role in the world."

In order to win congressional approval for paying the arrears, the Clinton administration must convince critics that Mr. Annan's plan represents a firm commitment to restructure the world organization. But many of Mr. Annan's proposals require the approval of the General Assembly, where developing countries are the majority, and those nations' objections will have to be answered. *(Reuters, AP)*

CHINA: *Thousands of Angry Workers Protest Bankruptcies*

Continued from Page 1

a curfew before bringing in paramilitary forces, the group said.

An editorial in the official Mianyang Daily accused hostile foreign and domestic forces of stirring up trouble.

A Sichuan dissident, Li Bifeng, 33, a former tax officer in Mianyang, has written an open letter calling on international labor organizations to intercede on behalf of the workers, Human Rights in China said.

In his letter, dated July 16 and made available by the rights group, Mr. Li urged the labor organizations to press Beijing to abide by its promise to the Chinese people to safeguard their right to subsistence. He also urged the unconditional release of all workers detained in the protests, medical treatment for those wounded and severe punishment for corrupt officials responsible for the collapse of the state industries.

Officials reached by telephone at local factories acknowledged that several thousand people had taken part in the protests July 7, but said that the city had calmed down since. The demonstrators were mainly from three silk and textile plants that had gone bankrupt, they said.

"Several big state-owned enterprises have declared bankruptcy and the workers and their family members launched the protests so that they can ensure a basic standard of living," the Mianyang city official said. "They are asking for new jobs, but the government can only give jobs to some of them. We can only resolve such problems step by step, in line with the bankruptcy law."

Human Rights in China said the police were maintaining tight control in the town, with many of the detained workers still in custody. *(Reuters, AFP)*

UN: *U.S. Backs a Bigger Security Council*

Continued from Page 1

tative and the president of the UN General Assembly, has been urging the General Assembly to move faster in expanding the Security Council, which has not changed in size since the 1960s, when most developing countries were still emerging from colonialism.

The United States still has some disagreements with developing nations over the final size of the council and the question of whether veto power would be limited in any way. Washington wants a council confined to no more than 20 or 21 members, doubling the permanent members to 10 but keeping nonpermanent seats at 10, or maybe adding one.

The United States and other countries say a large council would be unwieldy. Mr. Razali has proposed increasing the council to 24 members by adding five permanent and four nonpermanent seats. The current permanent members of the Security Council have veto power on matters of substance. The United States insists that its veto not be weakened, but diplomats said Washington was prepared to turn over to a panel the decision on how to deal with vetoes for new members. Mr. Razali's plan would deny the veto to all new members.

Indian Party Drops Threat to Pull Out

Reuters

NEW DELHI — The shaky governing coalition in India overcame a four-day crisis Thursday when a regional party backed off from a threat to quit Prime Minister Inder Kumar Gujral's government.

The problem ended after leaders of the 15-party United Front coalition agreed that their squabbles could only help rival Hindu nationalists in a likely midterm election, alliance leaders said.

The Dravida Munnetra Kazhagam party decided not to press its threat to withdraw its four ministers, said the information and broadcasting minister, Jaipal Reddy.

"I would say the problem is over," Mr. Reddy said.

Resolving a key difference with a communist coalition partner, the party endorsed a United Front decision to deny admittance to a breakaway group of Mr. Gujral's Janata Dal party, the Rashtriya Janata Dal, alliance leaders said.

The United Front has 178 lawmakers in the Parliament's 545-member lower house and gets vital support for its minority rule from the Congress (I) Party, which has 140 deputies. Congress itself was thrown out of power in elections in 1996.

VERSACE: *Murder Suspect Is Recalled as Pudgy and Boastful*

Continued from Page 1

On April 29, Mr. Trail's body was found, followed by Mr. Madson's body four days later. Both had met violent deaths.

The authorities said they believed that Mr. Cunanan stole Mr. Madson's jeep, drove to Chicago and killed his third victim, Lee Miglin, a 72-year-old real-estate investor.

Driving Mr. Miglin's stolen Lexus, the authorities said, Mr. Cunanan wound up in an isolated Civil War cemetery in Pennsville, New Jersey, where he shot the caretaker, William Reese, 45, and fled in his red pickup truck.

The FBI placed Mr. Cunanan on its 10-most-wanted list, and there were unconfirmed reports of his sightings, from California to Oklahoma and Florida. But nothing concrete came up until Mr. Versace was shot and the police found bloody clothes and the red pickup truck near the scene.

Mr. Cunanan had earlier been charged in the Madson death and on Wednesday he was charged in the killing of Mr. Reese.

Law-enforcement officials said they knew of no motive to link the killings.

By all accounts, Mr. Cunanan moved in a fast crowd. But from an early age, he also seems to have been determined to stand out.

Mr. Cunanan grew up in Rancho Bernardo, a middle-class suburban community north of San Diego, the youngest of four children of Modesto and Maryann Cunanan. His father is a Philippine-born U.S. Navy veteran who later became a stockbroker.

Mr. Cunanan attended an elite preparatory school in La Jolla, California, and studied French and theater. He seemed to delight classmates with his flamboyance, once attending a school function in a patent-leather red jumpsuit, a gift from the much older man who was his date.

He graduated in 1987 and his classmates voted him "Least Likely to Be Forgotten." He enrolled at the University of California at San Diego, but when his father fled the country under suspicion of financial wrongdoing, Mr. Cunanan dropped out of school to follow him to the Philippines.

By 1990, he was living in an expensive home near Berkeley, California, that friends said did not appear to be his, and spinning tales of his wealthy family and its Philippine sugar plantations.

"My first impression of him was someone who was kind of snobby and had a lot of money," said Tim Barthel, an owner of Flicks, a gay video bar in Hillcrest where Mr. Cunanan passed time. Mr. Barthel said Mr. Cunanan peeled off hundred-dollar bills readily, drove luxury cars and always paid in cash.

Mr. Cunanan often picked up the tab for parties of four and five people, buying round after round of drinks or dinners of more than $1,000, but he seldom appeared with a date, Mr. Barthel recalled.

Even as Mr. Cunanan partied with a younger gay crowd in Hillcrest, he also spent time with older, more closeted gay men in the oceanfront enclave of La Jolla, where he lived with an older man for some time until last fall.

Lieutenant Jim Collins of the San Diego police said they did not believe Mr. Cunanan was a prostitute for hire, despite what his mother had said about him. Instead, the lieutenant said, Mr. Cunanan had been kept by wealthy men in succession.

[A police inspector who interviewed Mr. Cunanan's father said Thursday that he had denied his son was a "high-class prostitute," Agence France-Presse reported from Manila.

[The inspector, Celedonio Morales, said that according to the father, his son "was educated in a Catholic school and could not be capable of doing" what his mother had described.]

Sometime in the last few months, acquaintances said, Mr. Cunanan began changing. He put on weight, and began adding vodka to his cranberry juice at Flicks. His hair, once carefully molded, was often unkempt.

"He started to look disheveled," Mr. Barthel recalled.

Mr. Cunanan told friends he was moving to San Francisco to pursue a romance, and he spent several days there in late April.

BRIEFLY

Kenyan Opposition Plans 'Mass Actions'

NAIROBI — An opposition-backed alliance unveiled a series of "mass actions" Thursday to test President Daniel arap Moi while welcoming talks with him on constitutional reforms.

The list of actions included a rally in Mombasa, Kenya's second-largest city and a center of its tourism industry, on July 26. There also are to be a national general strike and sit-in on Aug. 8.

The plans were read at a news conference by Willy Mutunga, co-convenor of the National Convention Executive Committee, a grouping of opposition parties, human-rights organizations and other bodies demanding reforms. *(Reuters)*

Bus With Refugees Attacked in Ossetia

MOSCOW — A bus carrying refugees back to their villages in southern Russia was attacked with grenade launchers Thursday, injuring 17 people in a region where ethnic tensions are high, news agencies reported.

Ten of the Ingushi passengers aboard were seriously wounded in the attack, carried out in North Ossetia, the police reported.

The refugees were returning to sites in North Ossetia, near Chechnya in Russia's turbulent Caucasus.

Ruslan Aushev, president of the Ingush Republic, deplored the attack as "aimed at upsetting stability in the zone of the Ossetian-Ingush conflict," the Interfax news service reported. *(AP)*

China's Trade Status Easily Clears Senate

WASHINGTON — The Senate overwhelmingly approved a nearly $1 billion increase in foreign aid Thursday while endorsing the Clinton administration's decision to extend favored trading status to China.

The 91-8 vote came minutes after lawmakers rejected a nonbinding measure that would have put the Senate on record against a decision to extend normal trading privileges to China.

The so-called sense of the Senate resolution cited Chinese human-rights abuses, exports of weapons to "rogue" nations, reported attempts to influence the U.S. political process and an imbalance in trade. *(AP)*

Herald International Tribune
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The UN Argument

If the purpose of reform at the United Nations were merely to make the world body a more efficient conveyor of the diplomatic, peacekeeping, developmental and other services it provides its 185 members, then the argument would have been wrapped up years ago. In budget and management, the United Nations has been worked over before, and the changes now recommended by the secretary-general, Kofi Annan, take the organization further along, although they do not meet all the "benchmarks" set unilaterally by the U.S. Congress.

But of course efficiency is not what the argument has been all about. The real issue goes to the symbolic role that the United States plays in the world.

The United States is the single superpower, the most modern as well as the most powerful country, the one more than any other with deep interests in what goes on practically everywhere in the world. Should it therefore dictate to other members, define their common agenda, insist on prevailing? Or should it use the United Nations as a forum in which to cooperate as much as possible on shared interests, in which case a more conciliatory mode of engagement is required?

To put a point on it, is the United Nations to reflect the world view of Senator Jesse Helms, who has said he believes the organization represents a conspiracy to diminish American sovereignty? Or is it to represent the mainstream view of the organization as a place where important American interests, although scarcely all of them, can be usefully defended and advanced by working with the other members?

No doubt the table of organization proposed by Mr. Annan could be further revised. No doubt some additional jobs could be closed down without serious harm to the organization. It is fair to put the United Nations' internal procedures to additional tests, even painful ones. But it is not fair — it is disrespectful — for the U.S. Congress simply to demand that the UN secretary-general impose changes, such as reducing the American share of the budget or crediting the United States for money it has spent on its own to support peacekeeping. These changes require the formal amendment of separate treaties.

This whole business of UN reform has gone on for a very long time and with a heavy impact on the organization's functioning. Mr. Annan's proposals may not be the last word, but they provide a reasonable basis for early American resumption of a full role in serving its interests and accepting its obligations at the United Nations.

— THE WASHINGTON POST.

The Big Picture

While Senator Robert Torricelli, Democrat of New Jersey, tries to remember his birthday and Senator John Glenn, Democrat of Ohio, jokes about his astrological sign, more serious members of the Senate Governmental Affairs Committee keep getting several lessons a day in the operation of the most reckless presidential fund-raising operation in recent history.

One such lesson came on Wednesday with the revelation that one of John Huang's bosses at the Commerce Department, Jeffrey Garten, considered him unqualified and recommended that Mr. Huang be "walled off" from China issues since he had no need for that information in his job assignment. Despite these qualms, Mr. Huang was not only placed in a sensitive Commerce post but was given access to intelligence information after a background check that failed to examine his overseas connections.

On Tuesday the committee learned that Sandy Berger, then the deputy national security adviser to the president, met with Eric Hotung, a Hong Kong developer, after Mr. Hotung's wife made a $100,000 contribution to the Democratic National Committee. The DNC chairman, Don Fowler, cited the donation in urging that Mr. Berger, now the national security adviser, hear Mr. Hotung's views on American foreign policy in Asia.

Lanny Davis, a White House lawyer, categorized that as just another routine White House visit. Mr. Davis's description is shockingly true, but it does not place this particular compromising meeting in the big picture of 1996 that the committee is assembling in mosaic fashion. If anything, that picture is more disturbing than it seemed a few months ago, making the need for campaign finance reform all the more urgent.

In the 1996 campaign the White House integrated money-collecting, presidential scheduling and policy-making, all with President Bill Clinton's approval. Although the public was paying Mr. Berger to handle foreign affairs, he regularly participated in weekly White House campaign strategy meetings. Although the public paid Harold Ickes, the deputy chief of staff, to help run the executive branch, the committee has established that he conducted weekly meetings with the DNC financial team.

In campaign years there is always overlap. But what this White House seems to have invented was top-to-bottom integration of government and campaign functions under tight White House control. Mr. Davis and his colleagues like to maintain that all this was perfectly harmless because no Clinton administration policy decisions were made to satisfy donors. Perhaps not, but as the evidence of overlap increases the idea of immaculate policy-making is getting hard to accept.

Clearly, the campaign operation showed little regard for the sanctity of national security activities. We learned earlier this year that Mr. Fowler would not take "no" for an answer when he wanted to do a favor for a donor. In the case of Roger Tamraz, an international oilman under criminal indictment in Lebanon, Mr. Fowler reached all the way into the CIA to help get him an invitation to the White House. The DNC brushed aside the concerns of White House aides about the stream of questionable Chinese visitors invited to the White House.

Alone among committee Democrats, Senator Joseph Lieberman of Connecticut acknowledges that he can see the picture that is being steadily filled in. Mr. Glenn is retiring and doesn't seem to care whether his constituents accept his blinkered analysis of the committee's evidence. But one would think that Mr. Torricelli, a freshman who already has a reputation for wanton money-raising, would be worried about casting himself as the defender of the ever more indefensible.

— THE NEW YORK TIMES

Other Comment

For Adult Education

Providing all children with the skills and knowledge needed for lifelong learning is [an] essential first step, but complementary measures are needed to provide basic education also to the millions of youth and adults who have not yet acquired this necessary foundation for their lives.

Efforts have on the whole been concentrated on expanding primary schooling but, with few exceptions, have virtually ignored literacy and other basic education programs for adults, which are seriously underfunded. This neglect can have serious consequences. A world divided between haves and have-nots is neither just nor stable.

— Jacques Delors, writing in the Unesco quarterly EFA 2000 (Education for All).

New and Old in Europe

In one way, the NATO summit recently held in Madrid marks a turning point in European history. With full-fledged membership in the Western alliance for Poland, the Czech Republic and Hungary now certain, and the prospect of further eastward expansion evidently only a matter of time, the chasm which divided Europe for half a century is finally being filled in. Yet in another way Madrid symbolized continuity by reaffirming American predominance in the alliance: that only those three countries were invited to join was a decision imposed by Washington.

The era of a Europe whose fate ultimately lies in the hands of overseas powers, which began in the ruins of World War I, is still by no means over.

— Neue Zürcher Zeitung (Zurich).

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A Welcome European Shift to Interdependence

By Flora Lewis

SALZBURG — There is a remarkable parallel in attitudes to plans for a single European currency and for expansion of NATO. Ostensibly the two attitudes are in no way linked, but it is strikingly predictable that people who oppose one are likely to oppose the other, and the same with those in favor.

This suggests an underlying bond, which I am becoming convinced has to do with an assessment of history, a basic philosophical outlook.

For all the pompous statements of achievement at the Madrid NATO summit this month and the pretense of the Amsterdam European Union summit, which inevitably invite cynicism, these two projects do signal a profound and unprecedented change in the life of Europe and North America, comparable to the momentous decisions taken in the early years after World War II.

The fundamentals are not much discussed. At a well attended conference here of the World Economic Forum's regional meeting on Central and Eastern Europe, the implications were argued in much detail.

One German participant did offer a quote from the late Chancellor Willy Brandt, who said, "Peace isn't everything, but without it there's nothing else." And the participant added, "The same is true for monetary stability." But otherwise, the shape of trees to contemplate in implementing the new course obscured the forest.

In terms of NATO, it is true that never before has a system of collective security in Europe really worked.

Originally, NATO was a form of collective security but organized to assure a balance of power. When that broke down, as a balance of power always does if only because myriad change is inevitable, the meaning of NATO was necessarily transformed.

It is idle to say that it should best be kept as the robust, single-purpose alliance it started out to be. For that, it would have to find or invent a powerful, centralized new enemy. No one wants that, and instability or terrorism or the other menaces are real but diffuse.

Something similar is true for the euro. A single currency, beyond the control of a single organized political power, which the European Union is not going to be in the foreseeable future, deprives governments of a critical lever in managing their economies, but it does put a great deal of pressure on them to liberalize and coordinate their policies. So it is not surprising that a lot of people back away from what they consider the risks of such great change.

They know what is, and while there is much they don't like about the status quo, they can see it and smell it and think they can count on it. But they do not consider the risks of failing to change as nations evolve.

The wreckage of those who thought they could make the world stand still litters history. But history is adorned with the achievements of those who decided that the time was ripe to try something more than what exists.

Of course, a few more countries in NATO now and a few more than that early in the next century is not the end of the road for European security. Nor will the euro of itself transform the European Union into an effective power. But they are logical steps leading in the direction already well launched toward creating new systems to assure peace and economic vitality.

And they are in the direction of interdependence that technology is taking the world, willy-nilly. When we can send a gadget to poke around Mars and tell us what it's made of, there is something incongruous about saying we don't dare tamper with the way states are used to dealing with each other in order to extend their peoples' safety and capacity to produce.

Nor can anyone guarantee that the new systems as they gradually develop will resolve the problems that they are meant to address — domineering and dangerous nationalisms, obstacles to productivity and commerce.

For my part, I think it is much better to strive than to quaver, as the naysayers seem to feel more comfortable doing.

It is well to take a step at a time, to prepare with utmost care, as the space adventurers do. The past cannot be undone, but tomorrow's history is ours to make, if we choose. That perception forms the hidden link between these two great initiatives. They need to be debated in detail. They will affect the daily lives of a great many people and, if they succeed, inspire others in others parts of the world. As with all major change, they will cause some short-term pain. But the longer term is exhilarating.

© Flora Lewis.

Corruption as a Way of Life — but Indonesia Can't Afford It

By Thomas L. Friedman

JAKARTA — Well, somebody has to be first. Unfortunately for Indonesia, it's Indonesia — regularly rated the most corrupt country in Asia.

A friend in Jakarta tells me corruption runs so deep here that "they actually give you a receipt for your bribes — really." He gets his immigration papers renewed each year. "I pay the bribe and get a receipt. The accountants in my office want documentation, and the official I pay off provides it."

Sadly, bribes or cronyism have come to infect virtually every economic interaction in this country, whether it is building a bridge or getting a job.

The tone is set from the top. President Suharto's family owns a slice of virtually every major Indonesian industry — airlines, television stations, power plants, toll roads, telephones, even a national auto production project protected by special tariffs. No wonder a local joke has it that the Suhartos have everything — except a sense of shame.

An Indonesian writer says his son tried to renew his driver's license the other day but found it impossible to do it legally because there were so many middlemen in front of the counter offering to "expedite" the transaction.

The government wants to deregulate the economy but can't because so many bureaucrats depend on payoffs for applying, or ignoring, regulations.

Indonesians have a saying: If your neighbor takes your goat, whatever you do don't take him to court, because by the time you get done paying off the police and the judges you will end up losing your cow as well.

Why so much corruption? Partly it's a legacy of the feudal power system of Indonesia. Partly it's the transition here from a more centrally controlled economy to a free-market one, which creates all sorts of possibilities for officials to demand bribes from a burgeoning private sector, where wages far exceed those in government.

At the civil servant level, corruption is an ad hoc safety net for the poor. The driver of the "Free Inter-Terminal Airport Shuttle" bus scrawled a sign above his seat that said "4900 rupiah" ($2), which he pointed out to me when I foolishly tried to get off without paying.

For now, Indonesia's great natural resources (oil, forests, mining) make up for many inefficiencies that corruption brings. Amid all the shenanigans, Mr. Suharto has always practiced sound macroeconomics, so Indonesia has a 7.5 percent growth rate, and almost no inflation or budget deficit.

But the termites of corruption are busy eating away the foundations. Indonesia's natural resources will not last forever. And recent statistics show that its competitive edge in low-wage light manufactured exports is being eroded by even lower-wage Vietnam, Eastern Europe, Mexico and China.

Indonesia will have to move up to more knowledge-intensive, value-added industries and services. It will not be able to attract enough higher-tech industries to provide a higher standard of living for its 200 million people with corruption, dysfunctional courts, domestic monopolies and a lack of competitive bidding for major projects.

There is a widening perception that while the country has been growing rapidly, growth is not being shared fairly at all, and this is slowly eroding the legitimacy of the regime. As long as the good times roll and the government can keep raising the minimum wage, anger will be containable. But when growth eventually slows, and some real unemployment bites, the regime, with its shrunken legitimacy, will have a hard time managing the downturn.

That is the real long-term threat to stability. You can see a hint of it in the number of government police stations torched in recent pre-election rioting.

Indonesia has a lot going for it — bountiful resources, a reasonably educated population and virtually no brain drain. But it will never be all it can be, let alone all it will need to be, without a sense of shame at the top.

The New York Times.

Let's Have an Anti-Bribery Convention That Really Works

By Seth Goldschlager and Stanley J. Marcuss

WASHINGTON — Negotiations are under way in Paris on an international convention to outlaw bribery of foreign government officials in order to get business. The announcement at the end of May that the 29 members of the OECD had agreed to negotiate was greeted with such acclaim that it could seem everything was over but the celebration. That is far from true. It will be a long time, if ever, before the Champagne is poured.

The fact is that nothing has been agreed upon but that there will be negotiations, which now are in their earliest stages. It is in the details that the difference lies between a meaningful agreement and one that is merely window dressing.

Twenty years ago, the United States outlawed international bribery by adopting the Foreign Corrupt Practices Act. It imposes stiff criminal penalties on American companies that bribe foreign government officials to get business, or that fail to maintain internal controls and accounting systems that deter employees from creating slush funds to finance company bribes.

Other countries have failed to follow the U.S. example. The upshot is that U.S. companies by some estimates are losing billions of dollars in contracts to foreign competitors who see bribery as nothing more than a cost of doing business.

Getting the Foreign Corrupt Practices Act on the books was no easy task. It took several years to get the first version enacted in 1977, and another 11 difficult years for Congress to adopt amendments to correct the defects of the original act.

The version of the law that emerged in 1988 is a highly detailed statute which attempts to answer such important questions as who is a foreign government official, what constitutes a bribe, whether companies should be responsible for commission agents who bribe in order to deliver deals, and the circumstances in which payments to expedite routine governmental action, such as getting permits or papers processed, should be permitted.

In a world in which a government official could be a minister of commerce, the head of the state-owned airline or the leader of the opposition party, and in which finding ingenious ways of greasing palms to get things done may be an ingrained part of the culture, it is important that a criminal statute leave no ambiguity as to who is covered and what is or is not permitted.

The task for negotiators in Paris is daunting. Twenty-nine countries with different systems of law and culture must agree on a convention that they can submit to their legislatures.

Recent history at the OECD shows that most countries will not budge as long as they can get away with doing nothing. More than a year ago, OECD member countries committed themselves to eliminate tax deductions for bribes. Little has happened since. The United States remains the only major country that denies its companies the ability to write off bribes on their tax returns.

Negotiators now have three different proposals on their desks: one drafted by the United States, another by the French and Germans and a third by the OECD staff. A tendency to accept the lowest common denominator will arise in order to reconcile differences among the proposals. Politically, there will be pressure to get whatever can be had so that an appearance of progress in the fight against bribery can be maintained.

In fact, though, no agreement may be better than a flawed agreement.

The U.S. act has two powerful disincentives to bribery that none of the proposals to be considered at the OECD contains. One is a requirement that companies keep books and records that accurately and fairly reflect their transactions. The other is that they have systems of internal accounting controls that provide reasonable assurances that management's instructions are being carried out.

These requirements give the U.S. auditing profession powerful tools for ferreting out slush funds for bribes, and stiffen the spines of accountants in demanding explanations for ambiguous accounting entries.

Mr. Goldschlager is a lawyer based in Paris. Mr. Marcuss, a lawyer based in Washington, was counsel to the relevant Senate subcommittee when the Foreign Corrupt Practices Act was adopted. Both work with a coalition of U.S. companies trying to secure international cooperation in the fight against bribery. They contributed this comment to The Washington Post.

Opposition Chores in Taiwan

By David G. Brown

TAIPEI — Hong Kong's handover appears to have raised Beijing's hopes that Taiwan's return to the mainland will come sooner rather than later. Yet Taiwan's opposition Democratic Progressive Party, which favors independence, sees itself on a roll that may propel it to victory in national elections.

The first step is county magistrate and city mayor elections in December. The DPP now controls cities and counties with half of Taiwan's population. Most analysts believe that it will increase its standing at this key local level.

Should the party go on to win the legislature or presidency, that would be deeply troubling to China. Hard-line elements in Beijing, including the military, would probably argue that the time had come to renew military pressure on Taiwan to prevent a formal declaration of independence.

So far, the DPP does not appear to have given much serious thought to its future dealings with China. It should.

DPP commentators modestly attribute their improving prospects more to the weakness of the ruling Nationalist party, the Kuomintang, than to DPP strength. More than anything, the KMT suffers from an image of corruption and money politics. By contrast, DPP local administrators, who tend to be more idealistic, have often gained reputations for clean government, or at least avoided graft charges. In a recent poll, the DPP for the first time surpassed the KMT in overall support.

A new law and order issue also hurts the KMT. The public holds it responsible because the party controls the central government, which has prime authority for fighting crime. The kidnap and murder of a 12-year-old in April prompted big demonstrations in Taipei calling for President Lee Teng-hui to acknowledge the KMT's failures in combating crime, and for the resignation of Prime Minister Lien Chan. These protests were organized by private groups, but the DPP was the political beneficiary.

Superior organization is also reckoned to be a DPP strength. Even KMT leaders envy the DPP's ability to find popular candidates, such as Mayor Chen Shui-bian of Taipei, who is only one of the incumbents whom the ruling party sees no real chance of beating. The DPP is also credited with being better able to unite its factions behind candidates once they are chosen.

So confident are DPP members about prospects in December that they are planning ahead to the legislative elections scheduled for 1998 and the presidential poll in 2000.

But DPP members admit that there is still broad public reluctance to give the party control of national affairs, for fear that its pro-independence stance would provoke a confrontation with China. This public reluctance is a major obstacle to the party's hopes of eventually winning the presidency.

So DPP officials have been playing down the independence issue, recognizing that it hurt their candidate in the 1996 presidential election. Mayor Chen, whom many consider likely to be the party's next presidential candidate, has studiously avoided the independence issue and focused on local concerns.

The DPP hopes that the founding of the new Taiwan Independence Party, TIP, in 1996 will help it appear more moderate. But the DPP has not dissociated itself from the pro-independence stance that is so anathema to China. This was shown most recently by its co-sponsorship with the TIP and other pro-independence organizations of a "Say No to China" rally on June 28.

The promising electoral prospects are altering the DPP's position on constitutional reform. The party prefers a shift to a presidential system, but has in the past strongly supported the legislature's role in approving the nomination of the prime minister under Taiwan's present system. Rethinking the issue from the perspective of a potential ruling party, it now indicates that it can accept the KMT's proposal to end the legislature's right to approve the prime minister. DPP aides say Taiwan will need a strong president to deal with China.

The shift from opposition to governing would present many challenges. To minimize future risks for Taiwan, the party needs to do two things.

First, it should make hard decisions about what its mainland policies would be in office. It should spell out a position which makes clear that a DPP government would not pursue independence. Doing that would be in the party's interest, given prevailing public doubts about the wisdom of seeking independence. But clarifying the point will certainly alienate some supporters.

Second, the DPP must develop channels for informal communication with China. Such channels are all but nonexistent now.

The writer, a former U.S. diplomat who is a senior associate at the Asia Pacific Policy Center in Washington, contributed this comment to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Off for the Pole

STOCKHOLM — As the wind conditions were more favorable, Mr. Andrée and his companions left in their balloon for the North Pole. The balloon was christened the Eagle. Mr. Andrée, the Swedish engineer and explorer, proposes to attempt to reach the Pole by taking advantage of a southerly wind. He made the attempt last year, but after waiting in vain for twenty-one days for a favorable wind, he postponed his voyage until this year.

1922: Gold Plan Fails

NEW YORK — The nine gold-seekers from Katonah, New York, who started last month to rediscover a river in the Belgian Congo, the bed of which "is paved with gold nuggets," are returning from Europe empty-handed. They were unable to obtain a concession from the Belgian Government, and the insurance which they had taken out was cancelled after they were on the high seas, the company stating that the full perils of the trip were not realised when the insurance was written.

1947: American Films

PARIS — Eric Johnston, president of the Motion Picture Association of America, said that the United States should "help Europe back into production, rather than make any country the recipient of international dole." He said American production had doubled, while production of the rest of the world had fallen 50 to 80 per cent since before the war. He deplored the restrictions against the showing of American films in many parts of the world, saying that the American motion picture industry is still the only link between America and some of the countries of the world like Poland and Czechoslovakia.

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OPINION/LETTERS

Speaking Out About Persistent, Subtle Racism

By William Raspberry

WASHINGTON — This conversation on race that President Bill Clinton wants us Americans to have may be a little tougher than some of us thought.

I've been having a sort of off-and-on conversation on race in this column for three decades now, and ...

Well, let me start at the beginning. I wrote a Fourth of July column in which I talked about the still-existing barriers that keep some black Americans from feeling fully accepted by the white-dominated society. It wasn't just actionable discrimination or overt racism I had in mind but what the late Red Heffner, a civil rights booster, once described as sometimes "feeling like a bastard at a family reunion."

I thought that might have been a problem for some readers. It apparently wasn't. What was a problem was my attempt to describe the angst some of us feel at times of national celebrations. I likened America to a series of ethnic, racial and religious islands whose inhabitants, over time, become less islanders and more citizens of the mainland. Americanization, I suggested, is the process of depopulating those islands until, finally, they exist only as retreats for such special occasions as St. Patrick's Day or Oktoberfest.

Among the points I had hoped to make was that depopulation requires mutuality. Ethnics may decide to venture from the limiting comfort of their islands, but they cannot mandate their own acceptance.

I won't defend the island analogy, or spend much more time explaining it. The purpose of an analogy is to communicate, and if mine doesn't communicate, I'm willing to drop it.

But I would like to try again to make the point that so many of my readers missed — especially those who took issue with my conclusion that real integration is "a question only white people can answer."

One gentleman quoted Frederick Douglass: "When we are noted for enterprise, industry and success, we shall no longer have any trouble in the matter of civil and political rights." Another was rather less subtle:

"Give me a break. ... You can be an American and be an individual at the same time. It is sad that blacks can't decide what to be called (Negro, colored, black, brown, Afro Americans), whether to be 'equal' or 'special,' minority or included, to move in or live in ethnic communities."

Was Douglass right? It seems clear enough to me that "enterprise, industry and success" can take us a long way and are plainly worth pursuing. But it seems equally obvious that there have always been enterprising and industrious Americans — by no means all of them black — who have been constrained to remain on their ethnic islands.

No matter how well-off or educated, some American blacks still feel 'like a bastard at a family reunion.'

I have some sympathy for the man who is exasperated at the frequency with which we change what we wish to be called. But can he truly believe that it is within the power of black Americans (that it was, at an earlier time, within the power of Jewish or Japanese Americans) to decide whether they will be "equal" or "special," minority or included?

Does he believe, as several readers suggested, that the question of inclusion/exclusion turns principally on the behavior, preparation and attitude of blacks and that it is, therefore, a question blacks must answer?

The few minutes I've just spent trying to verify that Douglass quote turned up a fistful of other Douglass quotes I could use to advantage — including his plaint that "in all the relations of life and death, we are met by the color line." My purpose, though, is not to win a debate but to advance mutual understanding.

Let me mention again that TV special that the newscaster Tom Brokaw recently did on the Chicago suburb of Matteson. The story, unusually well told, was of black Chicagoans, seeking a better life for themselves and their families, moving to formerly white suburbs. These were people with education, social graces and money. They could, I am sure, have found nice homes in Chicago's best majority-black neighborhoods.

But they wanted to leave their ethnic island and lay full claim to the America we all hope one day to see.

As it turned out, their new neighbors seemed less interested in the enterprise, industry and success of the newcomers than in their color. There seems no doubt that Matteson will soon become virtually an all-black (albeit affluent) community and that the black families' quest for integration will be frustrated.

My complaining readers would have understood instantly if the rebuff had been enforced by burning crosses or Klan marches rather than by decent, family loving, likable white people who, nonetheless, couldn't wait to move to a yet more distant suburb.

Isn't this worth talking about?

The Washington Post.

The 'Prom Mom' Phenomenon Predates Our Libertine Age

By Ellen Goodman

BOSTON — My friend drops the newspaper story on my desk with a crisp announcement: "Well, here's another one for you."

"Another what?" I ask without looking up.

"*Another 'prom mom,'*" *he says* grimly, in the generic language usually reserved for headline writers.

I pick up the paper and see another New Jersey dateline, another teenage mother,

MEANWHILE

another infant born and gruesomely disposed of in a bathroom.

This time the 16-year-old is not at a prom but at a bus terminal on an Atlantic City tour of casinos. What shall we call her: Casino Mom?

This time the girl is not a local high school student but a Dominican sent to New York to stay with family friends. This time, most importantly, the 6-pound, 10-ounce baby delivered and abandoned in a toilet bowl is not yet dead and the charges are not yet murder.

My friend knows that I have been collecting these stories — some eight of them over the past year and a half. Not out of morbid tabloid curiosity, but with the hope that some sense will emerge from this senselessness.

A college freshman gives birth secretively with her boyfriend.

The baby of a teenage girl is found in her grandfather's garage. A 17-year-old's newborn is discovered in her gym bag. And of course, there is the New Jersey "prom mom," who left the dance floor to go into labor, dropped the baby in the trash and returned.

These are pregnancies that went unnoticed and unacknowledged even in their last months, even in prom gowns. These are girls who went through labor and delivery on their own. These are newborns, dead or alive, but all abandoned. And there are charges — murder, manslaughter, abandonment — all duly filed.

My friend has a cryptic explanation for these stories: evil. He offers it to me again, in a preemptive strike against my attempt to understand these mothers and accused murderers.

He is among the outraged who count the horror tales as proof of a throwaway society. The op-ed pages are replete with those who describe the "prom moms" as "logical" extensions of a sexually educated and liberated, pro-choice and planned parenthood shamelessness.

But I have been a journalist too long to believe that eight stories make a trend. I've been at it too long to think that something is new because it has happened now in a suburb.

Gloria Feldt, the president of Planned Parenthood who has become fodder for the "prom mom" media mill, finds it "bewildering that people think this is a new issue." Or that they treat it as a libertine consequence.

Three hundred years ago, at the height of Puritan rule in Massachusetts, the elders feared a rash of infanticides. In 1692 they passed a law making it a capital crime for any "lewd woman" to conceal "the death of a bastard child."

"Whereas," wrote the lawmakers, "many lewd women that have been Delivered of Bastard Children, to Avoid their Shame and to escape Punishment, do secretly Bury or Conceal the Death of their Children," any unmarried woman who buried a newborn was presumed guilty of infanticide unless a witness said the child was born dead. In colonial America, more women were executed under such laws than under any other.

Perhaps the real wonder isn't that we have strayed so far from our roots, but that we haven't. In today's era of presumed access to sex education, to birth control and abortion, when pregnant teenagers go to school and single mothers raise children in the limelight, shame survives. Indeed, it's making a much applauded comeback.

In colonial America, more women were executed under infanticide laws than under any other.

It isn't shamelessness, but shame and its cousins guilt, dread and desperation that run beneath the refusal of some girls to acknowledge their pregnancy, their labor, their newborn. It is the psyche's ability to block out reality — what we call "denial."

One of the few who have actually studied "prom moms" accused of infanticide, Dr. Margaret Spinelli of Columbia medical school, describes them as "very cut off." So cut off, so isolated, so emotionally disconnected that when they went into labor, they thought it was something they ate.

Does that bewilder us? Dr. Spinelli says, "It is bewildering. That's why we should give more credence to psychopathology than a criminal act." Indeed most countries now send such women to treatment, not to the gallows.

My friend does not want to hear me say that there is a difference between evil and illness, that understanding is not forgiving. I too believe that there are evil acts, people who just kill. But my "prom mom" file doesn't read like that.

It's filled with young life stories, each painful, tragic, different. Today I add another with a New Jersey dateline. I wait for the details with the absolute certainty that lives are never as simple as sermons.

The Boston Globe.

LETTERS TO THE EDITOR

Helping Africa

Every few years, senior World Bank or United Nations officials announce that Africa is on the verge of economic success, and that sound economic policies, introduced or imposed by international financial institutions, should be credited. "A New Africa Is Generating Success and Hope" (*Opinion, June 21, by Callisto Madavo and Jean-Louis Sarbib*) is a case in point.

It does not matter that some of their predecessors wrote similar articles 20 years ago, lauding economic policies launched in Zaire and other West African nations — which became basket cases within a short period of time.

Other such articles lauded the now-discredited "structural adjustment" economic policies developed by the World Bank about 10 years ago, which similarly failed to deliver; practically all the countries supposed to have benefited from structural adjustments fell prey to economic demise and political turmoil. Somalia was a shining example in the 1980s, as were Liberia and Sierra Leone, as well as others later in the decade.

As late as 1991, the director of the International Monetary Fund contended that IMF-imposed reforms in Zaire were producing positive real growth.

While Callisto Madavo and Jean-Louis Sarbib, World Bank vice presidents, recognize in their article that recent events in Zaire, Congo and Sierra Leone were disastrous, they claim that significant improvements in political stability and a shift to democracy have underpinned social peace in much of Africa. With more than half of Africans ruled by military dictatorships or other repressive or nonrepresentative governments, such as those of Nigéria, Kenya, Libya, Sudan, Somalia, Gabon and so on, claiming that "no-nonsense, accountable pragmatism is now the rule" is not just a misstatement but outright ridiculous.

While the Ivory Coast, Ghana, Uganda and South Africa are examples of recent political and economic stability, it is rather premature, to say the least, to take these as signs of African political and economic revival.

Not only is political and economic progress fragile, but the basic social, political and economic ills of the continent have not been addressed. So-called sound economic policies are not going to redress historical, cultural and ethnic injustices, nor is continuous interference (or involvement) by former colonial powers — or, for that matter, Western or Communist do-gooders — going to achieve lasting resolution of the continent's ills. Hope in the future is not built by a new U.S. policy to promote trade and investment in sub-Saharan Africa or investment/aid commitments by the Paris Club, nor by forgiveness of millions of dollars worth of debt.

Hope is built by allowing Africans to rule themselves, by encouraging them to trade with each other instead of exporting all their valuable raw resources to Western countries and then dumping processed foods and consumer-good imports on them, which makes their economies unsustainable and essentially dependent on Western countries.

Hope for the future will rise when non-Africans stop supporting regimes of their choice and let Africans develop their cultures, economies, and political and social systems not as images of Western concepts but as reflections of the real needs of the people of Africa.

The trillion dollars and more of development "aid" dumped onto Africa during the past 20 years has been largely wasted and, in most cases, continues to be wasted. The average per capita income in Africa in real terms has not improved and Africans are by and large not only worse off and more indebted today but also less free.

Let us stop interfering in their affairs and propping up unrepresentative regimes. And, most important, let us encourage and facilitate intra-African trade.

Had Africa been encouraged to process its own resources and maximize intra-African trade, the continent's countries might today be in the forefront of developing nations. Instead we continue economic colonialism and handouts, which together do more to undermine representative nation- and institution-building in Africa than all the acts of the despots who rule much of the continent.

ERNST G. FRANKEL.
Cambridge, Massachusetts.

The writer, a professor at the Massachusetts Institute of Technology, worked in Africa on development projects for more than 25 years.

China's Hinterlands

Regarding "China's Economic Reforms Are Gradual but They're Working" (Opinion, July 3) by Pieter Bottelier:

Mr. Bottelier correctly asserts that economic reforms have transformed China, but the benefits hardly extend to China's minorities.

In a two-month trip through rural inner Mongolia, Tibet and Xinjiang Uygur, I found that the for-profit People's Liberation Army exerts a medieval force over its fiefdoms. Witness a Tibetan farming population often pressed into road gangs; riot troops with submachine guns guarding government installations from the Uygurs and Kazaks; truck drivers forced to transport military supplies free of charge, and so on.

Little wonder that the concept of the rule of law seems most alien in China's borderlands.

DOUGLAS KREMER.
Zurich.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

MARTHA STEWART
Just Desserts:
The Unauthorized Biography

By Jerry Oppenheimer
Illustrated. 399 pages. $24.
William Morrow & Co.

Reviewed by Janet Maslin

NOW it can be told: Little Martha Stewart ate Gulden's mustard on white bread as an after-school snack. And back when she was Martha Kostyra of Nutley, New Jersey, the town that Jerry Oppenheimer's sharp-clawed biography also identifies as the birthplace of Librium and Valium, she may have preferred Nancy Drew books to the classics. She once stabbed her brother with a pencil. She failed to land the clown's role in a class production of "The Little Engine That Could."

If Oppenheimer and his 400-odd sources for "Just Desserts" are to be believed, which is sometimes an open question, Stewart also spoke precociously in shrill movie dialogue of the no-wire-hangers variety. "That's all my mother does, stand in front of a hot stove cooking," the future food and lifestyle guru supposedly exclaimed. "And what does she have to show for it? She works like a peasant. I want more out of life, and I'm going to get it."

Get it she did. And now get it she does, thanks to an atmosphere in which this breed of biography, which Oppenheimer calls "a reputable and popular literary form," can flourish.

Tapping into a mother lode of spite, and allowing any anonymous source to unload with impunity, he depicts Stewart in a Santa's workshop filled with disgruntled elves. They reveal that the queen of hand-painted gift wrap is actually tormented by acute workaholism, insomnia, shady business dealings, a family that resents her and an abused ex-husband who moved out because he wanted to be able to make coffee without being watched by a film crew.

Stewart makes an easy target, having held out an ideal of butter-churn perfection in these microwave times. ("I really want people to get out their sewing machines again," she once opined. "I know we don't have time, but just thinking about it is a step in the right direction.") Notions like these border so closely on satire that a parody of her magazine, Martha Stewart Living, showed how homeless people could garden in grocery carts and take advantage of shifting sunlight.

OPPENHEIMER, whose last book was an equally uncharitable look at Ethel Kennedy, goes further by also sniping at Stewart for the kind of ambition and tenacity that might be lauded in a biography of Bill Gates. Naturally, her ego, the writer's cruelty and our own complicity (as the mulch in which Stewart's empire grew) have sent this unauthorized biography flying out of stores. And there's not a beach in America where such a colorful feat of character assassination won't be met by at least surreptitious interest.

For if Oppenheimer has done dirty work, he has done his homework too. He presents Stewart as a tireless, unscrupulous self-promoter who, in creating the corporate omelet that is now Martha Stewart Living Omnimedia, has broken many an egg.

While going on to tell scandalous stories of Stewart's recipe plagiarism, her spotty career as a Kmart pitchwoman and her supposedly nonprofit remodeling of an old house (she solicited volunteer help, made a remodeling video and then put the place up for sale at a substantial markup), Oppenheimer offers wall-to-wall digs. Stewart, he maintains, threw a breakfast tray at her husband on Mother's Day. She was spotted at Loehmann's soon after her father's funeral. She stole the idea for basket-weave frosting on wedding cake. She spoke condescendingly of immigrant gardeners and gay waiters.

But the most damning and best-substantiated complaints are all too aptly homemade. "I don't think my mother ever thought of me as her little girl," says her grown daughter, Lexi. "It's like the movie star with the boyfriend and nobody knows who he is. That's me."

The scandal factor was already a consideration when she proposed her life style magazine to Time Warner. But the corporate view was sanguine. As one of his many "informed source" interviewees tells Oppenheimer: "In the end we felt that the great American public wouldn't care."

Janet Maslin is on the staff of The New York Times.

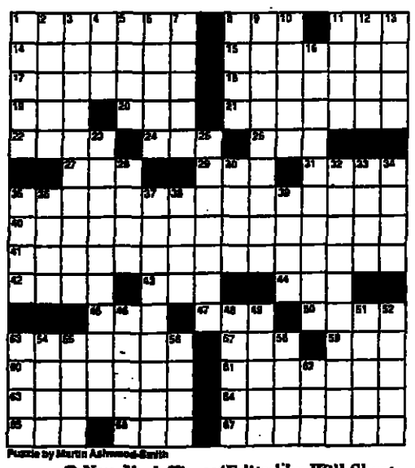
CROSSWORD

ACROSS

1 Hot stuff
8 U.S.N.A. rank
11 Ice, so to speak
14 Spark
15 Magazine
17 Visible
19 On the nasty side
19 Big brute
20 Soak
21 Discharged
22 Hogwash
24 Help wanted advertisement?
26 Fabled "Arabian Nights" creature
27 Rocket scientist Wernher —— Braun
29 School tie?
31 Where the Storting meets
35 Descriptive words of honor
40 It can take your breath away
41 Screamers
42 "——daisy!"
43 One billion years, in geology
44 H.S. class
45 "—— were you ..."
47 Gained a lap
50 Taunt
53 Sty
57 Kind of part
58 Some fraternity men
60 Christmas cracker
61 Cliffside dwellers
63 Poker play
64 Italy's Gulf of ——
66 Hydrocarbon suffix
68 Grp. in old spy novels
67 90's catch phrase

DOWN

1 Flip side?
2 Cancel
3 Has trouble running
4 Brest friend
5 Brings up the rear
6 Moral element in literature
7 Words
8 Beat severely
9 Robotic: Var.
10 Medical prefix
11 "Get ——!"
12 Physiognomy
13 Skedaddled
16 Secreting securely
23 Chopin pieces
25 Ill humors
28 Local theater, slangily
30 Biological classes
32 Scrooge's attribute
33 ——-majesté
34 "—— of Solomon"
35 Popular cologne
36 Lot
37 Trunk items
38 Kind of chamber
39 Agatha contemporary
46 Big book
48 Looks out for, maybe
49 Part of the crown jewels
51 Isolated hill
52 Elizabeth's love
53 Brontë heroine
54 Beijing coin
55 Old news commentator —— Abel
58 Things to sit on
59 Appropriate cry for Crusoe?
62 "School Daze" director



Puzzle by Martin Ashwood-Smith

©New York Times/Edited by Will Shortz.

Solution to Puzzle of July 17

M	A	W	R		S	H	O	T	S		C	R	A	B
I	D	E	O		T	O	R	A	H		H	I	L	O
F	U	L	L	C	I	R	C	L	E		A	N	T	S
F	E	L	L	O	N		A	L	L	E	R	G	I	C
		T	O	T	O			F	A	R	M			
S	T	R	O	P		R	E	T		R	O	A	D	S
L	O	O	P	T	H	E	L	O	O	P		S	A	P
E	M	U	S		A	L	E	P	H		O	T	R	A
D	E	N		D	I	S	C	J	O	C	K	E	Y	S
S	I	D	L	E		E	T	O		C	E	R	A	M
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B	R	O	C	A	D	E	S		D	E	F	E	A	T
R	E	B	A		O	V	A	L	O	F	F	I	C	E
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T	O	N	E		S	L	E	W	S		S	E	E	S

BRIDGE

By Alan Truscott

ONE reason that the teaching of bridge in American schools has lagged behind the teaching of chess is the lingering Puritan feeling that cards are the devil's tickets, leading inevitably to gambling. But in modern times most bridge is of the duplicate variety, with no cash involved, and the United States is catching up with Europe.

In New York City, the program organized by Barry Rigal of the Greater New York Bridge Association and by Anita Straus of Library-Power was a great success: About 30 schools took part in the last year. Schools interested in participating next season should call Anna Zagoloff at (212) 734 4815.

One of the busiest bridge teachers in the program is Sidney Rosen, who taught one class to fourth and fifth graders at Public School 158 on the Upper East Side of Manhattan, and two others to sixth, seventh and eighth graders at the East Side Middle School. The three winners of the tournaments that concluded the season were David Young, Ben Schweitzer and Oppin Pail.

The diagramed deal helped Young score his victory. He reached a sound six-spade contract by efficient bidding after his strong artificial two-club opening received a positive three-diamond response.

On a good day, the North-South hands would make a grand slam, but here South would have been in serious jeopardy if West had led the unbid heart suit. The declarer would have taken the ace and would no doubt have gone down to defeat by playing three rounds of trumps ending in dummy and attempting to cash the top diamonds.

That would have been very unlucky. To add insult to injury, South would then have discovered that he could have made the slam by making the wrong play: continuing clubs after discovering the bad trump split.

Luckily, Young was not put to this test. West led a club, and the nine won in dummy.

Now, the ace and king of spades were played, and the top clubs were led. The club queen was ruffed out, and South thought he would make all the tricks. However, the second diamond winner was ruffed, preventing the overtrick.

NORTH
♠ Q 8 2
♡ 9 3 2
♢ A K 7 4 3
♣ 9 2

WEST
♠ 9 8 7 4
♡ Q 10 7
♢ 8
♣ Q 6 5 4 3

EAST
♠ 5
♡ K J 8 6
♢ Q J 10 9 8 5 2
♣ 8

SOUTH (D)
♠ A K J 10 3
♡ A 5 4
♢ —
♣ A K J 10 7

Both sides were vulnerable. The bidding:

South	West	North	East
2 ♣	Pass	3 ♢	Pass
3 ♠	Pass	4 ♠	Pass
5 ♣	Pass	5 ♢	Pass
6 ♠	Pass	Pass	Pass

West led the club four.

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Pioneer Tourists Trickling Into Iran

Visitors Are Welcome, Caution Is Key

By Stephen Kinzer
New York Times Service

TEHERAN — It has been many centuries since visitors to Persia were confidently told "Esfahan nesf-e jahan," which means "Isfahan is half the world." Anyone who has been there, however, can understand and almost believe that boast.

The first step into the cavernous Imam Mosque in Isfahan is one of those moments for which travelers live and die. Surely this is one of the world's most magnificent buildings. The portal, flanked by two minarets that soar more than 150 feet (45 meters) into the air, is a sumptuous banquet of dazzling colors, ornate designs and masterpieces of flamboyant calligraphy by Ali Reza Abbassi, a brilliant artist who was renowned throughout the Muslim world. Overhead is a honeycomb of tiled niches, studded with stalactites decorated in a pattern of tiny white flowers against a rich blue ground.

Inside, cupolas, columns, walls and ceilings are covered with exquisite and brilliantly colorful tiles, their patterns a riot of imagination and fractal intricacy. Arching domes in variations of egg and onion shapes are elegantly styled, decorated in shades of blue, white and gold. Visitors can easily imagine the awe pilgrims must have felt upon arriving here three centuries ago.

THE ROYAL SQUARE The Imam Mosque is the anchor of a vast quadrangle known as the Royal Square, said to have once been the largest public plaza in the world. Its other grand edifices are the Mosque of Sheik Lotfollah, a smaller but no less astonishing counterpart to the Imam Mosque, and the Ali Qapu Palace, another masterpiece of 17th-century Islamic architecture and design. Royal personages used to watch from the palace as polo games, festivals and even public executions were staged in the square below. Today visitors spread picnics among the lawns and fountains, ride horse-drawn carriages around the perimeter, and shop in the scores of handicraft stores that have sprouted in the arcades that once housed a great bazaar and trading post.

One aspect of this complex, however, immediately strikes the visitor as odd. On the day I visited, my only company

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was a handful of local students and a small group of Japanese tourists. Otherwise the Royal Square, once a bustling commercial hub and later a powerful tourist attraction, was almost sepulchrally quiet. The reason, of course, is that this is Iran. Since the 1979 Islamic Revolution, few tourists have dared to venture here, among them almost no Americans.

That is now beginning to change. At least two American companies are now running tours to Iran, and the recent election of a new president, Mohammed Khatami, who ran on a platform of opening the country to outsiders, suggests that the trend toward openness will continue. After too long a pause, Iran is welcoming Americans again.

"Welcome" is actually the right word. My trip to several Iranian cities and towns in May was free of any unpleasantness, and Americans I met who were on a tour reported that they too had been received with unreserved friendship. I heard the phrase "America very good" several times, and when I jokingly told my new acquaintances that I was from "the great Satan," they looked dismayed and took pains to assure me that no one they knew viewed the United States that way.

INDIVIDUAL tourism is still difficult unless you have a friend in Iran who will accompany you, so it is best to join an organized tour. These may be booked through European or American travel agencies, which offer small group tours.

Although the United States maintains a trade embargo against Iran (expanded by President Clinton in 1995), it does not prohibit travel. Nonetheless, there are no diplomatic relations between the two countries, which means that there is no U.S. Embassy to assist visitors in emergencies. The Swiss Embassy in Teheran maintains an interest section that represents the United States, but it does not offer a full range of consular services.

The other constraint that may give foreigners pause is the strict behavioral code that Iran's ruling mullahs still enforce. Visitors may not legally import, buy or consume alcohol. Habits that might seem harmless elsewhere, such as playing cards or holding hands on the street, are frowned upon. Women must keep their hair covered and wear loose ankle-length cloaks over their clothing. But women who are "properly" dressed may walk freely on the streets, alone or in groups.

For travelers who can adapt to these strictures, Iran offers great riches. Isfahan remains the most irresistible of its cities and one of the most fascinating destinations in the Middle East. The Imam Mosque and other buildings around the Royal Square courtyard are only its best-known attractions. Parks, bridges, tombs and cemeteries, a labyrinthine bazaar and even an Armenian cathedral combine to reflect the scope of past glories.

Nearly all visitors to Iran arrive in Teheran, which is served by several major airlines, including Lufthansa and Turkish Airlines. Teheran is a modern and not especially attractive city, and aside from its bazaar, the main attractions are museums. Among them are the archaeological museum, which traces the 7,000 years of civilizations that have flourished in this ancient land; the Abgineh Museum of Glass and Ceramics, where a rich collection of ceramic and crystal objects is on display, and the Reza Abbasi Museum, whose hoard of gold beakers, bronze jewelry and Islamic art make it perhaps the city's most rewarding.

The glittering crown jewels are exhibited in the headquarters of the Melli Bank. They include a gold belt crafted around a 175-carat emerald, a crown set with 3,380 diamonds, and an 88-pound globe inlaid with 51,000 gems. Those interested in more recent history may visit the mausoleum where the leader of the Islamic Revolution, Ayatollah Ruhollah Khomeini, is buried, and the former American Embassy where diplomats were taken hostage in 1979 and held for 444 days. The embassy building is not open to the public, but the sight of it can still inspire emotion in Americans.

Iran's greatest archaeological site is Persepolis, about 400 miles south of the capital near the modern city of Shiraz, just over an hour's flight from Teheran. It was the seat of a powerful dynasty of Zoroastrian kings who ruled this region 2,500 years ago, and even today its ruins convey a sense of royal power. Some of the 36 stone columns, which once stood 60 feet high, remain more or less intact, as does the "Gate of All Nations" through which envoys from vassal states came to pay tribute to Darius the Great and his successors. Bas-relief panels show scenes of these tributes, with scores of figures waiting in line to pay homage, each dressed in native costume and each bearing a special gift. They are a veritable catalogue of ancient peoples: Elamites leading a lion, Pathans and Sogdians with camels and animal pelts, Babylonians with cloth, Egyptians with a bull, Armenians with a large vase, Assyrians with spears and Cilicians with ornate cups.

Other Destinations

Besides the pleasures of discovering Isfahan and Persepolis, visitors may travel to the lush Caspian coast, to the imposing citadel of Bam in the southeast, or to the country's two holiest cities, Qum and Meshed. Foreigners are welcome in both cities, although a couple of shrines are closed to non-Muslims. The day I visited Qum, which lies 75 miles south of Teheran, happened to be during the period when the death of Imam Hussein, a seventh-century Shiite martyr, was being commemorated. A procession of men and boys dressed in black slowly moved toward the gate of the city's main shrine, ritually flogging themselves as they chanted hypnotic verses commemorating Hussein's sacrifice. It was a potent reminder of the spirituality that still survives in Iran.

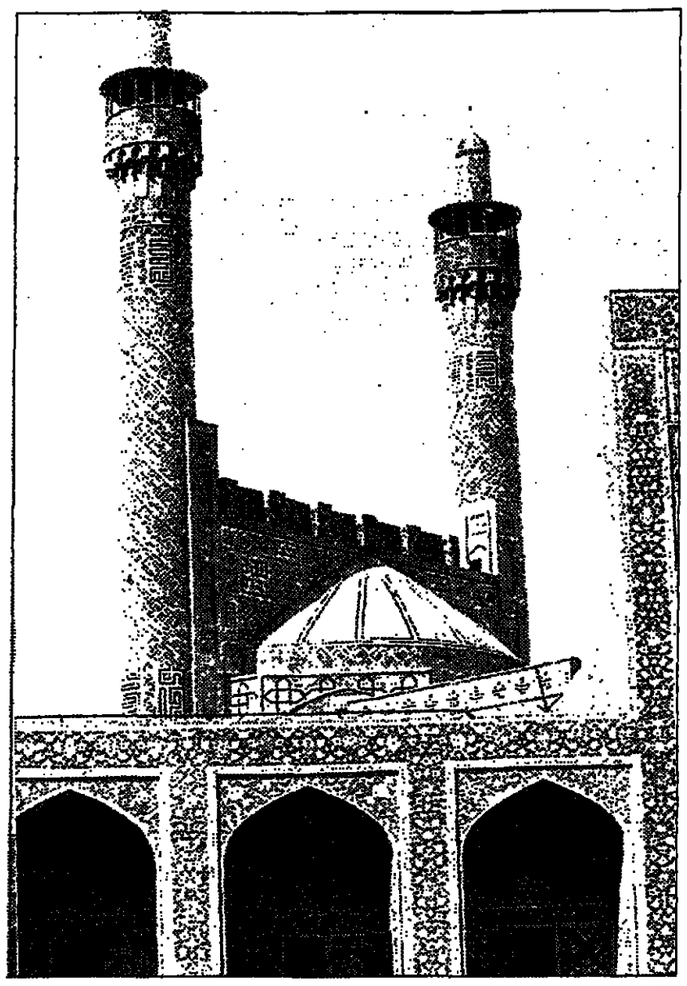
English is not widely spoken. Taxis are available at the major Teheran hotels (about $5 for a single destination within Teheran if the trip takes less than an hour), and drivers are usually willing to take passengers to outlying cities.

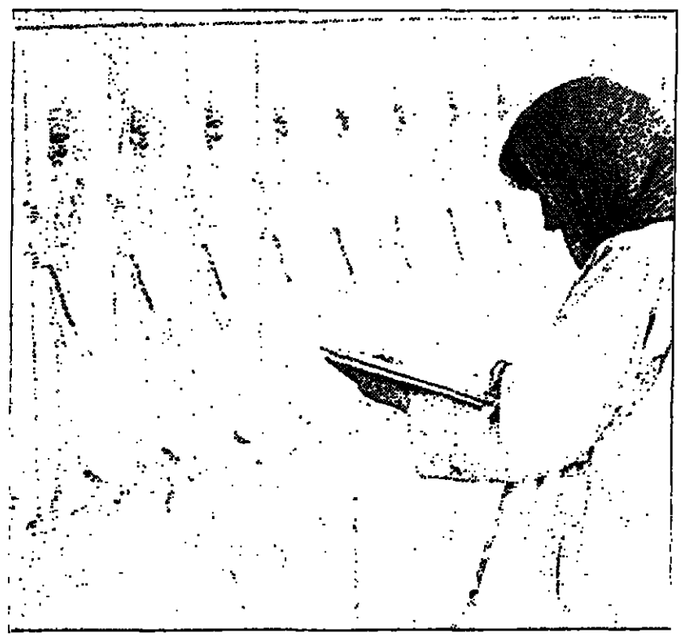
Air travel is astonishingly cheap; a one-way ticket between Teheran and Shiraz, for example, costs the equivalent of $27. At airports, however, individual foreign travelers are likely to be asked to show papers giving them permission to travel outside the capital. Permits should be obtained from Iranian consulates before arrival. Travel agencies might be able to help with them in Iran.

A reputable travel agency in Teheran that is interested in doing business with Americans is Caravan Sahra. The managing director, Javad Zolfaghari, may be reached at (98-21) 750-2229, fax (98-21) 767184. A nine-day trip from Teheran, visiting Qum, Yezd, Persepolis and Isfahan, including a night at the Abbasi Hotel, ranges from $1,253 for an individual to $874 a person in a group of more than 25.

Imagine a country that was well equipped to deal with tourists 20 years ago and hasn't done anything since, and you will have a good picture of what is available in Iran. The big hotels in Teheran have post-revolutionary names, but many people still refer to them as the "old Inter-Continental," etc. They are fraying but adequate. Nightly rates are around $100 for a double room.

In each Iranian city there are decent places to dine, although few if any are outstanding. Most restaurants do not offer menus printed in languages other than Farsi, but many serve buffets. Try *khoresh*, a slowly simmered stew served with rice. There are various kinds, of which a favorite is *khoresh fesenjan*, made with chicken or duck in pomegranate juice, garnished with walnuts. Hearty soups (*ash*) are often an important part of Iranian meals. Fruits and vegetables come in salads or wrapped in leaves (try *dolmeh sib*, apples wrapped in grape leaves).




Steven R. Wisner

From the top, the ornate Imam Mosque in Isfahan; the mosque's tile-covered interior, and a tourist sketching bas-reliefs in Persepolis.

KIDS

Minors in Flight: How to Avoid Byways

By Susan Keselenko Coll

WASHINGTON — Parents who travel frequently with children may be hard-pressed to believe there is anything more torturous than being locked in an aircraft cabin with a fidgety, inconsolable youngster. But no sooner do children grow into pleasant traveling companies than parents are faced with a new set of anxieties — sending children on their own.

The sight of an unaccompanied minor, often sporting a plastic, pouch-like necklace containing travel documents, is an increasingly familiar sight in airports around the world, particularly in the summer months. Children may be taking advantage of special summer airfares to travel to and from camp or to visit relatives. Nicole Couture-Simard of Air Canada notes another reason for what she sees as an increase in children flying alone. "We're seeing the single [parent] syndrome here," she says, explaining that children of divorced families often use air travel as a means to ferry between parents.

Although there are no government regulations pertaining to the care of minors en route, most airlines have devised their own guidelines. David Fuscus of the Air Transport Association notes that children flying unaccompanied is a subject "airlines in general pay a lot of attention to."

Nicolle Arcuri/IHT

Learning the Rules

And while a random survey of domestic and international airlines demonstrates more similarities than differences in company policies, parents planning to send their children unaccompanied are advised to call ahead as each airline may have its own requirements, ranging from advance notification and extra booking fees to the provisibn of medical certificates, or possibly the requirement of an escort for children under a certain age.

Lufthansa, for example, provides a lengthy set of guidelines governing unaccompanied minors. The airline claims to have more than 30 years of experience in handling unaccompanied minors and transports about 40,000 each year. Lufthansa will accept children between the ages of 5 and 12, and charges an additional 50 Deutsche marks ($28) per flight segment. The airline provides a special check-in desk at the Frankfurt airport, as well as a services lounge for unaccompanied minors.

British Airways will accept children 5 and older on single-sector flights; children 6 and older may travel on connecting flights when there is less than four hours between flights. British Airways also offers an "auntie" service in which parents can hire escorts for children of 3 months to 5 years.

Singapore Airlines, Air France, Air Canada and Delta Airlines all report similar policies, each with minor variations on booking and age requirements. All airlines provide cabin crew to escort the child at the destination until the authorized adult meeting the child arrives. Airlines generally recommend that parents remain in the departure lounge at takeoff until the plane leaves the ground. Many airlines limit the number of unaccompanied minors on any one flight for safety reasons.

THE logistics of booking the flight is one thing, but the emotional coaching for both parents and children is quite another. Vicki Lansky, in her book "Trouble-Free Travel With Children," provides useful advice on how to make travel less stressful. She suggests visiting the airport ahead of time, for example, to show children how to read arrival and departure monitors and help them get oriented. She also suggests surveying the boarding area for friendly faces who might befriend the child en route.

Even with the best-laid plans, however, things can go wrong, as one 8-year-old boy who frequently travels between divorced parents on opposite ends of the United States found out. His mother, Diane Huth of Fort Myers, Florida, explains that twice in the space of six months since December her son was put on the wrong Delta Airlines plane while transferring to connecting flights in Atlanta. On the first occasion, he wound up in Pennsylvania instead of Utah, where he was to connect again for a flight to Washington State. On the second occasion, he was boarded on to a plane bound for Los Angeles instead of Washington State, but was savvy enough to spot the mistake before takeoff.

Huth encountered yet another break in the system when she registered an 18-year-old visitor from the Republic of Georgia as an unaccompanied minor in January this year. The young woman spoke no English and was traveling from Florida back home with three plane changes along the way. Because of her age, Huth believes, Delta personnel did not realize that she needed assistance even though she was wearing an identification badge. The young woman, Ana Koridze, missed her connection at New York's JFK airport, and through a resultant series of mishaps, was stranded in Frankfurt Airport for three days, according to Huth.

NO DISASTERS "I was very upset," says Huth. "The procedures are in place, but what happened with me was a serious of breakdowns." Huth is reluctant to disparage the system for transporting minors, however, as it is a program on which she must rely several times a year.

"Delta has assured me it was a freak thing," she says, and "fortunately there were no disasters."

Delta declined to respond to several calls regarding Huth's description of her experiences.

While Huth's experiences demonstrate that parents must prepare for the possibility that things can go wrong, more often than not things run smoothly, and these days airlines seem to go out of their way to develop programs such as Air Canada's Skyriders club, or Air France's Planete Bleue, to cater to children by providing special meals and audio entertainment and travel kits.

And while putting a child on an airplane can be a terrifying experience for parents, it can be the adventure of a lifetime for a kid. Joanna Magginas's daughter had a great time when she flew by herself as a kindergartner from Washington to Greece on Olympic Airways. Magginas reports that her daughter received lots of special attention, and she plans to send her again this summer to visit relatives.

"The only thing in the back of my mind was, 'What if something happens to the plane?' " she said, reflecting the inarticulate worry in the back of every parent's mind. "But I knew she'd be taken care of."

Susan Keselenko Coll is a Washington-based writer.

DINING

The Simple Life: A Bistro, a Chef, an Ardoise

By Patricia Wells
International Herald Tribune

PARIS — It's many a chef's dream to open a compact bistro with no menu, no printed wine list, simply an *ardoise*, a blackboard on which one starts anew each day, cooking according to inspiration, the season, the market. Young Pierre Jay — most recently of Chez Jean and before that at the famed Tour d'Argent — seems to be living that dream.

Since spring, Jay has been starting anew each day, creating classic, simple, inspired fare in a bare-bones bistro fittingly named L'Ardoise. If you're looking for plush surroundings, efficient service and a relaxed atmosphere, go elsewhere. But if it's bustle, elbow-to-elbow bistro ambience you're after, give L'Ardoise a try. Be warned: The nondescript dining room can be stuffy, smoky and crowded to excess, and the totally disorganized service may appear to come right out of a Jacques Tati film.

Go instead for the bargain 165-franc ($28) menu, the well-priced wines (several at 70 to 80 francs a bottle) and the honest cuisine. Thick, meaty, highly seasoned terrines are back, and Jay offers a deliciously moist and manly terrine of rabbit and hazelnuts that is all but perfect; I mussed the crock of cornichons and wished he had been a bit more aggressive with the seasoning. A refreshing salad of tomatoes and assorted vegetables arrives as a giant tomato stuffed with carrots, leeks, and herbs.

BIRD OF DISTINCTION A main-course roasted pigeon is sublime. The tiny bird is partially boned, and the innards are cooked to a confit and spread on toast. A bed of lamb's lettuce and mixed greens soaked up the rich, meaty sauce, and a crown of crisp, thinly sliced potatoes is a warm, welcoming counterpoint.

Classic terrines of foie gras, a beef filet with morels, a lovely lobster stew (with a reasonable 75-franc supplement) take the cuisine out of the ordinary, day-to-day serviceable bistro fare.

Dessert fans will love the caramelized *ballon de fraises*, a mix of cream, strawberries and caramel layered in a fanciful champagne glass.

Treasures from the wine list include the feminine, elegant 1996 Fleurie from the Domaine du Vissoux (130 francs) and the meaty 1995 Cotes-du-Rhone Domaine Gramenon (75 francs).

Another trendy spot drawing crowds is the several-month-old *Café d'Angel*, not far from the Arc de Triomphe. The food is less sophisticated and less sure-footed than at L'Ardoise, but the decor is appealing, the service rapid and efficient and diners are sure to find something to please.

From the ardoise, diners can choose a la carte or from the bargain menus (beginning at 75 francs at lunch time and 130 at dinner.) I relished the refreshing "carpaccio" of tomatoes and zucchini, alternating rounds of the two vegetables bathed in a lemon-rich vinaigrette, lots of cracked white pepper and a shower of chives. A second carpaccio of tuna was along the same vein, with a dressing of oil and lemon, the same coarse pepper and chives, and a mound of Provencal mixed greens in the center.

MAIN courses were less appealing: Osso buco of lotte — center-cut portions of monkfish quickly pan-fried — was edible but boring, set on under-seasoned vegetables. Ditto for the bland rabbit paired with a delicious serving of *epeautre*, "poor man's wheat," cooked like risotto.

L'Ardoise, 28 Rue du Mont-Thabor, Paris 1. tel. 01-42-96-28-15. Closed Monday. Credit card Visa. Menu at 165 francs, with supplements.

Café d'Angel, 16 Rue Brey, Paris 17; tel. 01-47-54-03-33. Closed Saturday lunch, Sunday and Aug. 3 to 18. Credit card Visa. Lunch menu at 75 and 89 francs. Dinner menu at 130 and 165 francs. A la carte 150 to 200 francs.

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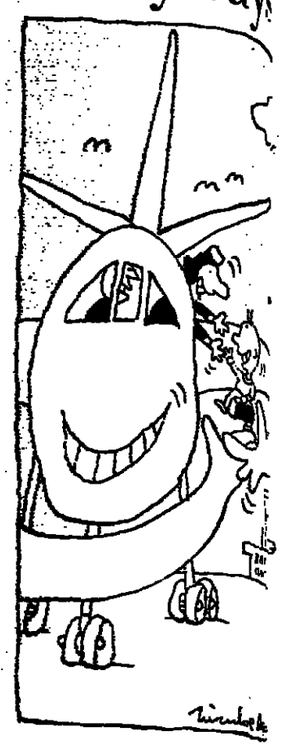

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Susan Kordzaia, 6, visited Ardoise's

an Ardoise's

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THE FREQUENT TRAVELER

Space Tourism: Ready for Liftoff?

By Roger Collis
International Herald Tribune

DON'T pack your bags yet. But serious people in the aerospace and travel industry are taking the idea of space tourism seriously. Pundits predict that the first space tourists could be in orbit by 2005. Tourists would travel by "space plane" to "space hotels" 200 to 300 miles (320 to 480 kilometers) above Earth. NASA's Space Shuttle is capable of flying 60 to 70 passengers on each flight. In fact this was envisaged by Rockwell engineers in the design of the Shuttle 25 years ago.

There seems to be plenty of interest from armchair astronauts. More than 40 percent of Americans yearn for an "out of this world" vacation, according to the 1997 Yesawich, Pepperdine & Brown/Yankelovitch Partners National Leisure Travel Monitor, based on in-depth interviews with 1,500 U.S. households.

Forty-two percent of those surveyed say they are interested in a space cruise that would offer amenities similar to an ocean-going cruise ship while 34 percent specifically say they would be interested in a two-week vacation aboard the Space Shuttle and be willing to spend (on average) $10,800 for the trip. Aviation Week & Space Technology magazine recently reported similar surveys in Japan, Canada, Germany and the United States that found "an enormous unsatisfied desire among the general public to travel in space."

"Space travel is about 10 to 15 years away if NASA and the private sector develop the necessary research and technology," says George Diller, NASA spokesman at the Kennedy Space Center at Cape Canaveral, Florida. "I think you'll see commercial initiatives, but it'll be pricey. Ten thousand dollars won't get you to the launch pad. You'd probably be looking at something closer to $50,000 for a trip lasting an hour, allowing the passenger to experience weightlessness for about 15 minutes."

Seats and Windows

For space flights alone, Bob Citron, a former aerospace executive and director of the Foundation for the Future in Bellevue, Washington (an organization dedicated to scholarly research on life during the next millennium), speculates that $3 billion to $5 billion would be needed to buy 24 to 45 space tourist vehicles, four or five launch sites and staffing for 1,000 to 2,000 flights a year with ticket prices of up to $50,000. "A Space Shuttle vacation is certainly real in terms of consumer interest," says Dennis Marzella, senior vice president at Yesawich, Pepperdine & Brown. "The technology is there, but it needs to be adapted to accommodate tourists — comfortable seats and big windows."

Patrick Collins of the University of Tokyo and the Japanese Rocket Society, speaking at the International Symposium on Space Tourism in Bremen, Germany, last March, estimates the development of a reusable, vertical takeoff and landing rocket for passengers would cost $10 billion and take six to seven years. "We need a lot of windows and we need bars, and the Japanese need a karaoke bar," Collins says. "A gym with padded walls for zero-gravity sports would be a really fun place."

THE 'HOTOL' PROJECT Space plane designs may draw on the experience of "Hotol," a pilot project of British Aerospace and Rolls-Royce a decade ago. Hotol was to have been a 50-to-60-passenger plane that would take off from conventional airports. After accelerating through Mach 5 to 80,000 feet, the plane would leave the atmosphere, continue to accelerate and become a satellite itself after reaching 250,000 feet — about four times the cruising altitude of Concorde — and an orbital velocity of Mach 25 to 30. Maximum flying time, ground to ground, to anywhere in the world would be about 70 minutes. Unlike the Space Shuttle, such a space plane would need no external fuel tanks and would re-enter the atmosphere and land under its own power. A space plane would be ideal for picking up and delivering tourists to a space resort en route.

Space Islands Project has an intriguing scenario for a space resort hotel based on a "20-year-old Rockwell idea" for joining up a dozen or so of the Space Shuttle's empty external fuel tanks into a wheel-shaped space station. Each external tank measuring 28 feet in diameter and 154 feet long (a tad shorter than a 747 fuselage and walls four times thicker than those of the Mir space station) would be divided into three decks. The space station could accommodate 300 people in "cruise-ship conditions."

The external tanks would be joined up end to end in the form of a ring with two more tanks joined up passing through the center like an axle through a wheel, like the orbiting Hilton in the 1969 movie, "2001: A Space Odyssey," says Gene Meyers, director of Space Islands Project, "a loosely knit group of engineers, educators and architects," in West Covina, California. "The station would take about an hour and a half to make a complete orbit of the Earth, but the ring itself would be spinning like a roulette wheel at about one revolution a minute thus developing artificial gravity. People would live in the outer ring where they would experience about half of normal gravity — they'd just be half their normal weight — so they could use bathroom facilities and suchlike at pretty well normal conditions. The central column section would be zero gravity. This could be the entertainment and recreation center, which guests could visit for an hour or so at a time. You'd have windows in the central column to view the Earth.

"There are lots of entertainment possibilities at zero gravity. Astronauts have found that blood that is normally drawn down to your legs is sort of released and drifts upwards. Astronauts legs become thinner, their chests expand by two to three inches, their faces fill out and wrinkles disappear. Shots of men in their forties before launch and an hour after launch look like father and son. Shannon Lucid, a 53-year-old American astronaut in the Russian space station last year, said she looked 20 years younger in space."

MEYERS and his group are looking to corporate sponsorship to meet the $10 billion to $15 billion cost of building the first space station. "You'd need about 16 of these external tanks. If we can get companies like Coca-Cola and General Motors to sponsor them for $500 million each, you'd cover big chunks of your costs for the first station; the second station would cost roughly half as much, and the third and fourth stations would be about 10 to 15 percent less.

"Space Islands Project is privately funded right now. We've budgeted $20 million for this first push to bring in some of the larger sponsors. The payback for them will be enormous. Coca-Cola, for example, spends $8 billion a year on marketing. So we've suggested that if they were to pay the cost of a shuttle launch — $400 million to $500 million — they could have the external tank painted white with their logo splashed all over it. This would give them two to three years of broad international exposure. We're talking to Carnival Cruises, Hilton Hotels, Universal Studios, Radisson Hotels and Disney to support the project."

MOVIE GUIDE

Nicolas Cage as parolee Cameron Poe in the Simon West thrill ride "Con Air."

Con Air

Directed by Simon West. U.S.
The thrill-ride genre is a study in shorthand. "Con Air": convicts on an airplane. Cameron Poe: He's our hero. Here's what we know about Cameron (Nicolas Cage, looking fabulous): He loves his family. He protects women. He sounds like Elvis. There are Christ-like overtones to his hair weave. He makes origami birds in his jail cell. He must be a really nice guy. Another kind of movie might fill in a few blanks, but the thrill ride needn't bother. It has too much else to do: staging an air war over Monument Valley, sending Cameron fleeing fireballs in slow motion, breaking lots of breakaway glass, finding interesting new forms of demolition. (Ever see a plane crash into a Las Vegas casino? Now you can.) The thrill ride also has its own brand of sight gag, as when a corpse falls from an airplane and causes a comical traffic accident. And one of the drivers had just washed his car! Thrill rides don't often make more sense than beer commercials, which they stylistically resemble by insisting that every frame look slick and pack a visual wallop. But some are better than others. The colorfully written "Con Air" is a solid chip off "The Rock," pumped up and very well cast, with the prettiness and polish of advertising art. All of the principals normally work in films more interesting and human than this one, which gives "Con Air" a touch of the subversive and turns it into a big-budget lark. Imaginative actors like John Cusack, Steve Buscemi, Ving Rhames, Colm Meaney and John Malkovich show off entertaining quirks even when playing characters who aren't much more than tattoos and nicknames. As for Cage, he neatly embodies the noble hero while winking literally and figuratively through this role, and his charismatic performance gives the film the center it urgently needs. *(Janet Maslin, NYT)*

My Best Friend's Wedding

Directed by P.J. Hogan. U.S.
After moping about in the drab British dramas, "Michael Collins" and "Mary Reilly," Julia Roberts comes back home to romantic comedy. Unfortunately, her extravagant good looks and screen-swallowing charisma are somewhat wasted on "My Best Friend's Wedding," a misbegotten attempt to update the genre that only proves the enduring — if not downright inviolable — appeal of the boy-meets-girl scenario. Director P.J. Hogan's follow-up to the offbeat, Australian, ABBA-scored "Muriel's Wedding," this mainstream American variation is also wildly unromantic and sappy with silly '70s love songs. Hogan's instincts are right, but the genre has grown stale in this more sexually permissive, more socially fluid age. Scripted by Ron Bass ("Waiting to Exhale"), the story revolves around the wicked machinations of Julianne Potter (Roberts), a food critic determined to stop an old flame's marriage. Thus, she hatches any number of schemes, most of which backfire, in a cruel, largely humorless campaign to wreck her "best friend's" happiness. While it's easy to forgive the Pretty Woman anything, her chicanery would make more sense if the milquetoast Michael O'Neal (Dermot Mulroney) were worth the fuss. All's fair in love, so they say, only what Michael and Julianne share is not romantic passion or even real kinship, but a neurotic attachment. *(Rita Kempley, WP)*

Angel Baby

Directed by Michael Rymer. Australia.
A folly disguised as an ordeal, "Angel Baby" tracks the inevitably tragic course of a mentally ill Australian couple who believe not only that they have been touched by an angel but that they are about to give birth to one. The source of this information will confound scholars: They learn it by decoding the celestial data encrypted in the big board on "Wheel of Fortune." Kate (Jacqueline McKenzie) and Harry (John Lynch) meet in a therapy group in the midst of young adulthoods racked by instability and sustained only by pharmaceuticals. They have an almost instantaneous connection, but the horror of the film comes in watching them pursue a feckless destiny impervious to the cautions of family and mental-health professionals. What fails utterly in "Angel Baby" is the director's ability to connect us with these people. We do not wish to cry for them, but merely to escape them. *(Stephen Hunter, WP)*

SUMMER FESTIVALS

In this last festival column, the Arts Guide lists major music festivals due to start in August and September in Europe and North America.

Antwerp
Flanders Festival, tel: (32) 3-232-8428, fax: 225-1282. Aug. 23-31: A part of the Flanders Festival that has been offering ancient, classical and contemporary music in various Belgian cities since April, the festival in Antwerp revives the music of the French court between the mid-15th century and 1515 with masses and motets by Johannes Ockeghem. Paul Van Nevel is the conductor in residence and some of the performers include the Tallis Scholars, Voce Poetica, Collegium Vocale and Ensemble Gilles Binchois.

Berlin
47. Berliner Festwochen, tel: (49) 30-254-89-100, fax: 89-230, Internet: http://www.berlinerfestspiele.de. Sept. 6-30: Plays, dance programs and exhibitions in addition to recitals and concerts. The Berliner Philharmonisches Orchester performs Hans Werner Henze's Symphony No. 9 (Sept. 11), Mozart and Berlioz, under John Eliot Gardiner (Sept. 16 and 17), and Mahler's Symphony No. 2 under Claudio Abbado (Sept. 26). Andras Schiff plays six evenings of Schubert's sonatas and Alfred Brendel performs in a program including Busoni, Litz, Schumann and Haydn (Sept. 21).

Brussels
Flanders Festival, tel: (32) 2-548-9595, fax: 548-9590. Sept. 10 to Oct. 26: The Brussels part of the Festival welcomes Mstislav Rostropovich who conducts Prokofiev's "Romeo and Juliet," performed by the Ballet of Lithuania. The roster of visiting soloists includes Daniel Barenboim (piano), Isaac Stern (violin) and Anne-Sophie Mutter (violin).

Edinburgh
Edinburgh International Festival 1997, tel: (44) 131-473-2001, fax: 473-20-02. Aug. 1-30: The Royal Opera Covent Garden presents a new production of Rameau's "Platee" (Aug. 11, 13, 14) and Verdi's "Macbeth" (Aug. 12, 15, 16). The Scottish Chamber Orchestra presents Tomas Breton's zarzuela "La Verbena de la Paloma." Ballet programs include works by Twyla Tharp, Regine Chopinot and Jiri Kylian. At the Greyfriars Kirk, Peter Hurford presents 15 concerts surveying Bach's organ music (daily Aug. 12-30, except Sundays and Mondays). The roster of conductors includes Pierre Boulez, Valeri Gergiev and Bernard Haitink; among the soloists to be heard, Andras Schiff and Alfred Brendel (piano), Sergei Levitin (violin), Bryn Terfel (baritone) and Anne Sofie von Otter (mezzo-soprano).

Linz, Austria
Brucknerfest 1997, tel: (49) 732-775230, fax: 7612-201. Sept. 13 to Oct. 5: Numerous performances of Anton Bruckner's music; a concert version of Wagner's "Siegfried," under Martin Sieghart with Hildegard Behrens, Wolfgang Fassler and John Tomlinson (Sept. 19); Bernard Haitink and the Wiener Philharmoniker close the festival with Mahler's Symphony No. 9.

Lucerne, Switzerland
Internationale Musikfestwochen, tel: (41) 210-3080, fax: 210-9464, Internet: http://www.switch.ch/mbc/LucerneMusic.html. Aug. 16 to Sept. 10: Orchestral concerts by the Royal Concertgebouw Orchestra Amsterdam under Riccardo Chailly (Aug. 25 and 26), the Berliner Philharmonisches Orchester under Claudio Abbado (Aug. 31and Sept. 1), the Orchestra Filarmonica della Scala under Riccardo Muti (Sept. 5 and 6) and the Wiener Philharmoniker under Carlo Maria Giulini (Sept. 9 and 10).

Rotterdam
Rotterdam Philharmonic Gergiev Festival, tel: (31) 10-217-17-89, fax: 411-62-15. Sept. 18-26: The highlights of this festival, under artistic director Valeri Gergiev, are Richard Strauss's "Salome" (Sept. 19, 21, 26) with Ljoeba Kazarnovskaja (Salome) and Nikolaj Poetilin (Jochanaan); a symphonic concert of works by Bartok, Litz and Ravel, with Zoltan Kocsis, piano (Sept. 20); Schubert and Shostakovich pieces performed by the Borodin Quartet (Sept. 23) and a performance of Russian music by the chorus and orchestra of the Maryinsky Theatre of St. Petersburg (Sept. 24).

Stresa, Italy
Settimane Musicali di Stresa, tel: (39) 323-31095, fax 33006. Aug. 22 to Sept. 19: Performances take place in the Teatro del Palazzo del Congressi. Semyon Bychkov and the Gustav Mahler Jugendorchester open the festival with a Beethoven and Shostakovich program (Aug. 22). I Solisti della Scala offer an evening of Strauss, Schoenberg and Brahms chamber music (Sept. 14). The RAI choir and orchestra, under Eliahu Inbal, concludes the Settimane with a performance of Beethoven's Ninth (Sept. 19).

Vevey-Montreux
Festival de Musique, tel: (41) 21-963-54-50, fax: 963-25-06, Internet: http://www.montreux.ch/festival. Aug. 29 to Sept. 17: The festival — held in the Auditorium Stravinski, the Theatre de Vevey, the Montreux Palace — is celebrating the human voice: Vocal soloists include Anne Evans (soprano) and Robert Hale (baritone) singing Wagner (Aug. 31); Brigitte Balleys (mezzo) and Matthias Goerne (baritone), conducted by Vladimir Ashkenazy in a Mahler and Brahms program (Sept. 4) and Vesselina Kasarova (mezzo), in a Berlioz evening (Sept. 14). The roster of visiting conductors also include Claudio Abbado with the Berliner Philharmonisches Orchester (Sept. 2), Emmanuel Krivine leading the Camerata Academica Salzburg with Joshua Bell playing Mendelssohn's Violin Concerto (Sept. 4); and Daniel Barenboim, who plays the piano at the same time he conducts the Staatskapelle Berlin (Sept. 13). Other soloists include Paul Agnew (tenor), Jill Feldmann (soprano) and Barbara Moser (piano).

Washington
Beethoven Festival, tel: (202) 467-4600, Internet: http://kennedy-center.org. Sept. 5-21: Leonard Slatkin and the National Symphony Orchestra perform all nine symphonies, as well as a reconstruction of the first movement of the unfinished Tenth. Piano sonatas and quartets are also performed.

ARTS GUIDE

Austria

Vienna
Palais Harrach, tel: (1) 523-1753, closed Tuesdays. To Sept. 21: "Das Capriccio als Kunstprinzip." Documents the treatment of unusual, amusing and fantastic themes in the visual arts, music and literature. Features works by Goya, Pietro Longhi and Arcimboldo.

Belgium

Brussels
Palais des Beaux-Arts, tel: (2) 507-8466, closed Mondays. Continuing/To Aug. 17: "Alberto Burri." His experience as a prisoner of war in Texas had a strong influence on the Italian artist (1915-1995), inspiring the use of torn sacking, tar, burnt wood and plastic in his work. The exhibition brings together 100 works.

Britain

London
Hayward Gallery, tel: (171) 261-0127, open daily. To Aug. 17: "Tatsuo Miyajima: Big Time." A series of installations by the Japanese artist (born 1957) who uses red, blue and green light-emitting diode numbers that flash on the walls or glide across the blackened space like fireflies.
The National Gallery, tel: (171) 747-2885, open daily. To Sept. 14: "Themes and Variations: Sleep." Contrasting interpretations of sleep and the sleeping figure in a selection of paintings. Features 30 paintings by Bellini, Raphael, Botticelli, Jan Steen, Poussin, Dutch painter Gabriel Metsu and others.

Canada

Montreal
Musee des Beaux-Arts, tel: (514) 285-2000, closed Mondays. To Nov. 16: "Asterix, the Exhibition." Created in 1959 by Albert Uderzo and the late Rene Goscinny, the Asterix comic strips have become world-famous for their satirical slant on life viewed from a small Gaul village in 50 B.C. The exhibition combines drawings by Uderzo with objects from antiquity such as Gallo-Roman stone and bronze sculptures and items that found their way in the backdrop of the books: a menhir, a scythe, a lyre and several helmets.

France

Paris
Centre Georges Pompidou, tel: 01-44-78-12-33, closed Tuesdays. To Sept. 29: "Les Ingenieurs du Siecle." From the earliest metal construction to the latest building technology, from Gustave Eiffel to Peter Rice, a display of large models and architectural documents illustrates the works of the engineer-builders of the 20th century.
Fondation Cartier pour l'Art Contemporain, tel: 01-42-18-56-50, closed Mondays. Continuing/To Nov. 2: "Amours." The expression of love as depicted in drawings, paintings, videos and sculptures. Features works by Brancusi, Ingres, Watteau, Klimt, photographs by Brassai and Mapplethorpe.
Institut du Monde Arabe, tel: 01-40-51-38-38, closed Mondays. Continuing/To Oct. 5: "Jordanie: Sur les Pas des Archeologues." An exploration into the past of Jordan from the Ommeyad castles of the 7th century, the Byzantine mosaics, the Roman period that followed the Nabatean expansion, and the iron and Bronze ages.

Greece

Thessaloniki
The Museum of Byzantine Culture, tel: (31) 86-85-70, open daily. To Dec. 31: "Treasures of Mount Athos." In the Cultural Capital of Europe 1997, an exhibition of 1,500 paintings, icons, illustrated manuscripts, miniatures and consecrated vessels from Mount Athos, the 1,000-year old community of 20 monasteries of the Order of St. Basil of the Orthodox Eastern Church.

Ireland

Dublin
Irish Museum of Modern Art, tel: (1) 671-8666, closed Mondays. To Nov. 2: "The Pursuit of Painting." More than 50 paintings that exemplify the purpose of painting: making reality visible by presenting objects, figures and spaces on a canvas. Features works by Balthus, Bonnard, Lucian Freud, Helion, Morandi and Lupertz.

Germany

Berlin
Martin-Gropius-Bau, tel: (30) 324-50-78, open daily. Continuing/ To July 27: "Die Epoche der Moderne Kunst: 20. Jahrhundert." A presentation of the many faces of Modernism through 400 paintings, assemblages, sculptures, installations and video sculptures by more than 100 artists.

Kassel
documenta X. Continuing/ To Sept. 28: Follow the "parcours" laid out for the viewer throughout the city to see the works of, among others, Christine Hill (USA), Rosemarie Trockel (Germany), Siobhan Hapaska (Ireland) and Gerhard Richter (Germany) as well as the British team of "Art & Language."

Italy

Venice
LVII Venice Biennale. Continuing/ To Nov. 9: In more than 30 pavilions, a one-man show by U.S. artist Robert Colescott; 12 paintings by the Portuguese artist Juliao Sarmento; large paintings by Helmut Federle from Switzerland; aboriginal paintings in the Australian pavilion and oils by the Russian artist Maxim Kantor, among others.

Japan

Tokyo
New Otani Art Museum, tel: (3) 3221-4111, closed Mondays, except July 21. To Aug. 31: "Japonism in Prints." More than 50 prints by European artists such as Felix Vallotton and Pierre Bonnard reflecting the influence of Japanese prints. Also included are works by Henri Riviere (1864-1951), who, inspired by Hokusai's "36 Views of Mount Fuji" created his own 36 views of the Eiffel Tower.

Luxembourg

Musee National d'Art et d'Histoire, tel: (352) 47-93-301, closed Mondays. To Aug. 17: "Paul Strand: The World on My Doorstep, 1950-1976." In the 1950s the American photographer moved to France and embarked on a series of photographs of France, Italy, Egypt, Romania, Ghana and Morocco. The exhibition features 150 black-and-white works.

Spain

Barcelona
Museu d'Art Contemporani, tel: (93) 412-08-10, closed Mondays. To Sept. 24: "Tony Cragg." This exhibition focuses on works from the first half of the 1980s, in which the British sculptor (born 1949) used bits and pieces of everyday objects to produce recognizable forms and figures on walls.

United States

Washington
National Gallery of Art, tel: (202) 737-4215, open daily. Continuing/ To Sept. 28: "Millennium of Glory: Sculpture of Angkor and Ancient Cambodia." Approximately 90 objects dating back to the 6th century.

CLOSING SOON

July 20: "Ancient Faces: Mummy Portraits from Roman Egypt." **British Museum, London.**
July 20: "Serenissima: The Arts of Fashion in Venice from the 13th to the 18th Century." **European Academy & The Accademia Italiana, London.**
July 20: Tales from the Land of Dragons: 1000 Years of Chinese Painting." **Museum of Fine Arts, Boston.**
July 21: "Des Mecenes par Milliers: Un Siecle de Dons par les Amis du Louvre." **Musee du Louvre, Paris.**
July 21: "Pierre Bonnard." **Bunkamura Museum, Tokyo.**

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The Associated Press.

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Herald International Tribune

BUSINESS/FINANCE

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Referred to Committee

In the wake of John Walter's fall from executive grace, AT&T has entrusted daily operations to one committee while another searches for Mr. Walter's replacement. Here are the committee rosters:

Executives named to the company's operations committee

JOHN ZEGLIS	Vice chairman, senior executive vice president, general counsel (chairman of committee)
DAN SOMERS	Senior executive v.p., chief financial officer
FRANK IANNA	Executive v.p., network and computer services
GAIL McGOVERN	Executive v.p., consumer markets
JOHN PETRILLO	Executive v.p., corporate strategy and business development
JEFFREY WEITZEN	Executive v.p., business markets

Board members named to the search committee

KENNETH DERR	Chairman, chief executive, Chevron
WALTER ELISHA	Chairman, chief executive, Springs Industries
DONALD McHENRY	President, IRC Group; former U.S. Ambassador to the United Nations
RALPH LARSEN	Chairman, chief executive, Johnson & Johnson
THOMAS WYMAN	Retired chairman, S.G. Warburg

Source: Company reports The New York Times

Massimo Sambucetti/The Associated Press

John Walter, left, sealing a deal with Guido Rossi, president of STET SpA in Rome. AT&T and the Italian phone company formed an alliance July 2.

Leaderless AT&T Tries Again to Chart a Future

By Mark Landler
New York Times Service

NEW YORK — AT&T Corp.'s top management has been plunged into turmoil at a time when the company is grappling with unprecedented challenges that include a steadily eroding share of the long-distance market.

Barely nine months after he was recruited to lead the largest U.S. telephone company, John Walter resigned abruptly Wednesday as president and chief operating officer of AT&T.

Mr. Walter, whose contract called for him to succeed Robert Allen as chief executive in January, quit under pressure after AT&T's board told him it had lost faith in his performance and that he would not get the top job. "He didn't have the intellectual leadership to lead AT&T," Walter Elisha, a member of AT&T's board said Wednesday evening. "He's a bright guy, but the complexity of the business is far greater than he might have realized."

WALL STREET WATCH

Mr. Walter's sudden departure amounts to a keen embarrassment for AT&T's board, which anointed Mr. Walter as the company's future leader after conducting an executive search.

Not the least of the fallout for AT&T is Mr. Walter's lavish severance agreement: For nine months of work, he will get a one-time payment of $3.8 million, plus the $22 million in compensation for leaving his previous job as chief executive of the printing company R. R. Donnelley & Sons Inc.

Mr. Allen, who had been under mounting criticism from Wall Street even before Mr. Walter was brought aboard, will stay on as chief executive while the board conducts yet another search for his successor.

AT&T's general counsel, John Zeglis, will replace Mr. Walter as president and chief operating officer. A rising star, Mr. Zeglis is considered the leading inside candidate for Mr. Allen's job.

The appointment of Mr. Walter last autumn had been a controversial one, given his lack of telecommunications experience. But after news broke of his ouster Wednesday shortly before the close of trading, AT&T's stock price rose.

Mr. Elisha declined to list the deficiencies in Mr. Walter's performance, saying that AT&T's eight independent directors came to the conclusion that he was the wrong person for the job in a series of meetings that began in April and ended Wednesday morning.

Mr. Allen did not take part in the morning meeting, but had recently recommended that Mr. Walter not be promoted to chief executive.

Mr. Walter was informed of the decision shortly before the meeting by Mr. Elisha and two other directors. He met again alone with Mr. Elisha later in the morning. Mr. Walter, 50, then exercised a clause in his contract that enabled to leave with a large severance payment if he was not elevated to Mr. Allen's job by January.

In a statement released by the company, Mr. Walter defended his qualifications. "I believe I am perfectly qualified to be CEO of AT&T right now," he said. "I have worked tirelessly on behalf of the shareholders of AT&T." Mr. Walter did not respond to a request for further comment.

But executives with knowledge of the company said Mr. Allen and AT&T's directors began to have doubts about Mr. Walter almost from the moment he came to work last November. These executives said Mr. Walter, who made his name at Donnelley as a salesman, did not immediately immerse himself in the mechanics of the telephone business.

"Bringing a nonseasoned person into AT&T at a time like this was fraught with risk," said Eric Strumingher, an analyst at PaineWebber. "This industry has an enormous number of moving parts."

One executive said Mr. Allen had suspected Mr. Walter had a role in leaking details of the $50 billion merger negotiations with SBC Communications Corp. to The Wall Street Journal, which first reported news of the talks in late May. But Mr. Elisha said he did not believe Mr. Walter was responsible for the leaks and that the issue did not play a role in the board's decision.

As for the coming search, Mr. Elisha said the board had appointed a committee of himself and four other directors. Mr. Elisha, who is chairman of Springs Industries, said the board had not set a timetable for its selection. But this time, he said, the candidate would

See AT&T, Page 14

Under Allen, Black Marks For Blue-Chip Phone Giant

Bloomberg News

NEW YORK — Shares in AT&T Corp., which once were recommended for widows and orphans, have lagged well behind the rest of the market while Robert Allen has been at the company's helm as chairman and chief executive.

America's most widely held stock, under Mr. Allen's direction, seems to have missed the biggest bull market in history.

Mr. Allen took over AT&T in April 1988, when the company's shares traded near $18. They closed Thursday at $35, down $1.3125, for a gain of just under 100 percent from when Mr. Allen took the helm.

The Dow Jones industrial average, meanwhile, has risen from about 2,000 points in April 1988 to more than 8,000 this week, a 300 percent gain.

Mr. Allen's first big move came in September 1991, when AT&T bought the computer maker NCR Corp. for $7.48 billion. NCR's value fell by half under AT&T's ownership, even as AT&T pumped $2.8 billion into the maker of computers, automated teller machines and electronic cash registers. AT&T spun the unit off to shareholders at the end of last year, giving them one NCR share for every 16 AT&T shares they held.

Mr. Allen made some smarter investments as well. AT&T bought the cellular pioneer Craig McCaw's wireless phone company for $11.5 billion in 1994. Today, it remains America's largest wireless-service provider.

And when AT&T spun off Lucent Technologies Inc., its equipment unit, it gave shareholders one share of Lucent for every three AT&T shares. Lucent's stock has almost tripled since Lucent's initial public offering in April 1996.

Mr. Allen, who had said he would retire next year, now plans to remain at AT&T indefinitely while the company's board searches for a successor to John Walter, the company's president and chief operating officer, who resigned Wednesday.

Mr. Walter's departure will give Mr. Allen more time to polish his legacy, analysts said.

Woolworth, the Last Holdout, Drops the 5-and-10s

By Mitchell Martin
International Herald Tribune

NEW YORK — Woolworth Corp., whose founder created the 5-and-10-cent store concept more than a century ago, became the final U.S. company to leave that business Thursday, saying it would close its 400 remaining general-merchandise shops and convert a quarter of them to Foot Locker and other specialty retailers.

Investors seemed pleased, as Woolworth stock rose $2.375 to close at $27.4375. But there was a feeling of nostalgia for the stores, a fixture in American downtowns since 1879.

"It's the end of an era, that's for sure," said Mary Lou Burde of the credit-rating agency Standard & Poor's Corp., "but they were losing money."

The original concept was that all the household goods in the store would be sold for 5 cents or less, and the first store, which failed, was called the Great Five Cent Store, in Utica, New York. The founder, Frank Winfield Woolworth, opened a second store in Lancaster, Pennsylvania, which caught on, and he added 10-cent goods.

The pricing structure did not last, but the stores flourished and spread worldwide, along with competing chains, such as Lamston, Kress, Rose and S.S. Kresge. Kresge, whose founder closed all his stores for an hour on the day Mr. Woolworth died in 1919, metamorphosed into Kmart Corp. in 1962.

That, according to Kurt Barnard, a retail consultant and president of Barnard's Retail Marketing Report, in Scotch Plains, New Jersey, was the beginning of the end for the 5-and-10 style retailers. "It died when the discount department store industry came into being and immediately captured the hearts and the pockets of most Americans," he said.

Woolworth will turn abroad. It severed its links with its British operations in the 1980s, but it still has about 374 small department stores in Germany, which representatives of a major shareholder said would be candidates for divestiture or other actions.

"It's on to Germany," said Alfred Kingsley of Greenway Partners LP, which owns just under 5 percent of Woolworth's shares. He and his partner Gary Duberstein said that Woolworth management had been paring unprofitable divisions, and they singled out the German stores as the biggest remaining problem.

Mr. Kingsley and Mr. Duberstein said the German stores had about $2 billion a year in sales but had been unprofitable in recent years, even though the company owned many of the sites. They suggested Woolworth might convert some of these stores to Foot Lockers and might consider selling them to other retailers.

Bangkok Police Raid Foreign Brokerages

Officials Say Source of Rumor Is Sought

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — Moving brusquely to stamp out what they called damaging rumors about Thailand's financial crisis, Thai officials raided at least two foreign brokerages in Bangkok on Thursday.

Squads of uniformed police searched the offices of Nomura Securities Co. and ABN-AMRO Hoare Govett, searching desks, reading computer files and interrogating and photographing employees, witnesses said.

The raids drew immediate accusations from some foreign brokers that the government was using scare tactics to keep the foreign investment community from passing along unpleasant news.

Officials said they were trying to trace the source of a fax message spreading what they called the false rumor that five Thai commercial banks would soon be closed. The speculation jolted the stock market last week, prompting official denials.

An adviser to the prime minister said those proven guilty of intentionally damaging the interests of the country should be punished.

Some foreign brokers and a diplomat suggested that Thai officials were reacting to the downside of foreign investment that is not always easily accepted in Southeast Asia: the free flow of information, bad as well as good.

Thailand has had one of most free presses in Asia since the mid-1980s, but some interpreted the raid as intimidation tactics intended to damp bad news about the slowing economy and the nation's financial difficulties, the worst in more than a decade.

"They are too concerned with their short-term image," a spokesman for the opposition Democrat Party, Abhisit Vejjajiva said. "The raid reflected the government's inability to understand civilized manners in dealing with the rule of law."

The adviser to the prime minister, Virachai Techavichit, vehemently disagreed, saying: "These are completely different issues. If it has been proven beyond a reasonable doubt that someone has intentionally damaged the country by spreading false information, they should be punished."

Thirty policemen, some high-ranking, went through ABN-AMRO's office questioning and photographing telephone operators, receptionists, analysts and top executives, witnesses told The Associated Press.

"These are deliberate scare tactics," said one broker, who asked not to be identified. "When brokers said 'buy Thailand,' they welcomed us, but when we say 'sell,' they begin to ask what we are doing here."

On hearing of the searches, some brokerage houses shut down early, and one foreign analyst shredded a document he had promised to give to a reporter.

"The rules have really changed now," the analyst said.

"This is sadly typical. Blame the foreigner and let the Thai go," one diplomat said of the raids, a stark contrast with the gracious treatment many visitors here are used to receiving from individual Thais.

In the current financial crisis, foreigners ranging from the currency hedge-fund manager George Soros to the financier and former arms dealer Adnan Khashoggi have been prominent targets of official spite.

This week, the recently resigned finance minister Amnuay Viravan took potshots at the media, saying: "The media is a factor in the spreading of rumors and damaging the economy. I am sure some of the media is in the pay of currency hedge funds."

On July 2, Thailand floated the baht after a series of attacks by currency speculators who Thai officials say were led by Mr. Soros.

Amid great protest in the Thai press, the interior minister recently set up a media monitoring center intended to find who was reporting incorrect or misleading news about the Thai government and economy.

Outlook on Taxes Throws Paris Bourse Off Stride

One-Time Increase Is Expected for Businesses

By Barry James
International Herald Tribune

PARIS — The French cabinet reviewed a range of new austerity options Thursday that officials predicted — and the stock exchange anticipated — would lead to a one-time increase in corporation taxes.

France may need to raise about 40 billion francs ($6.61 billion) in new revenue to meet the criteria for joining the European single currency next year, which stipulates that the budget deficit not exceed 3 percent of gross domestic product. The present level is expected to be announced at about 3.6 percent when the government discloses details of a financial audit to the National Assembly on Monday.

A spokesman for Prime Minister Lionel Jospin said it would be "logical" to expect higher corporate taxes and the cancellation of income tax cuts that had been promised by the previous, conservative government.

The new Socialist-led government said this month it was considering asking profitable companies to make an extra effort to meet the deficit target. The spokesman said the cabinet had discussed nothing Thursday beyond what had been proposed earlier in the month.

Mr. Jospin has put off making any economic policy pronouncements until completion of the audit. But the booming French stock exchange seemed to take offense Thursday at reports that the government would raise the tax on corporate profits to 40 percent from 36.6 percent — with higher social security contributions a possibility as well.

The Bourse's CAC-40 Index, which crested above 3,000 points for the first time Wednesday, finished down 29.42 points, or 0.98 percent, on Thursday at 2,958.59. But the bond market rose on expectations that the new taxes would enable the government to hit the single-currency criteria.

The secretary of state for the budget, Christian Sautter, predicted that the audit would reveal a deficit of slightly more than 3.5 percent of GDP. That implied the requirement to raise new revenue, given the government's pledge not to impose further cuts in government spending.

Although the single-currency criteria allow some leeway to countries that are heading in the right fiscal direction, former Finance Minister Otto Lambsdorff of Germany said in an interview with the Paris newspaper Le Figaro that a deficit above 3.5 percent would make it "out of the question" for France to join the single currency in 1999.

But President Jacques Chirac of France insisted in Brussels that the country would meet the target on time.

The government also was likely to freeze 19 billion francs of personal tax cuts that had been promised by the previous government, a step predicted by Finance Ministry officials earlier in the month.

CURRENCY & INTEREST RATES

Cross Rates

July 17

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0085	3.374	1.1261	0.3333	0.1158*	—	5.435*	1.3424	1.7377*	1.466	1.337*
Brussels	37.1075	61.795	20.6405	6.112	2.1255*	18.3445	—	25.015	0.3192	27.82	24.5825*
Frankfurt	1.7956	2.9985	—	0.2961	0.1029*	0.8812	4.8409*	1.2122	1.544*	1.3075	1.188*
London (a)	1.6713	—	2.9952	10.1216	2,912.42	3.3736	61.8582	2.4264	194.0129	2.3089	252.325
Madrid	151.085	252.891	84.194	24.921	8.659*	74.748	4.0772	102.848	129.945*	110.815	—
Milan	1,744.40	2,906.25	971.48	287.60	—	862.80	47.00	1,177.00	15.04	1,269.25	11.555
New York (b)	—	1.6730e	1.793	6.0565	1,742.00	2.0188	37.03	1.4808	115.975	1.3768	151.165
Paris	6.0617	10.116	3.3785	—	0.3475*	3.0003	0.1636	4.0949	5.2146*	4.4146	4.013*
Tokyo	114.35	195.06	64.98	19.23	0.669	57.45	3.1437	78.72	—	84.74	0.7707
Toronto	1.3778	2.3022	0.7678	0.2274	0.079*	0.6819	0.3719*	0.9293	1.1866*	—	0.911*
Zurich	1.4803	2.4785	0.8249	0.2447	0.0851*	0.734	4.0025*	—	1.2752*	1.0742	0.9802*
1 ECU	1.1028	0.6608	1.9786	6.6847	1,923.75	2.2281	40.8579	1.6324	128.198	1.5142	166.586
1 SDR	1.3733	0.8228	2.4658	8.3248	2,394.51	2.774	50.9578	2.0358	159.513	1.8899	207.457

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	281.02	Mex. peso	7.873	S. Afr. rand	4.5535
Australian $	1.3589	Hong Kong $	7.749	N. Zealand $	1.5138	S. Kor. won	893.45
Austrian sch.	12.637	Hung. forint	192.09	Norw. krone	7.4423	Swed. krona	7.8204
Brazil real	1.0806	Indian rupee	35.71	Phil. peso	29.25	Taiwan $	27.94
Chinese yuan	8.3219	Indo. rupiah	2477.5	Polish zloty	3.50	Thai baht	29.80
Czech koruna	34.10	Irish £	0.6681	Port. escudo	181.38	Turkish lira	153500.
Danish krone	6.8284	Israeli shek.	3.5547	Russ ruble	5791.0	UAE dirham	3.6715
Egypt. pound	3.393	Kuw dinar	0.30	Saudi riyal	3.75	Venez. boliv.	492.50
Fin. markka	5.2971	Malay. ring.	2.593	Sing. $	1.4482		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6652	1.6633	1.6605	Japanese yen	115.77	115.27	114.77
Canadian dollar	1.3704	1.3678	1.3654	Swiss franc	1.4757	1.4704	1.4654
Deutsche mark	1.7914	1.7874	1.7838				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

July 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/8 - 5 3/4	3 - 3 1/8	1 1/2 - 1 9/16	6 9/16 - 6 11/16	3 1/4 - 3 3/8	1/2 - 5/8	4 3/16 - 4 5/16
3-month	5 3/4 - 5 13/16	3 1/8 - 3 3/16	1 9/16 - 1 5/8	6 3/4 - 7	3 1/4 - 3 3/8	1/2 - 9/16	4 1/8 - 4 1/4
6-month	5 3/4 - 5 15/16	3 3/16 - 3 5/16	1 9/16 - 1 11/16	7 1/16 - 7 3/16	3 3/8 - 3 1/2	1/2 - 5/8	4 1/8 - 4 1/4
1-year	5 15/16 - 6	3 5/16 - 3 7/16	1 5/8 - 1 3/4	7 5/16 - 7 7/16	3 1/2 - 3 5/8	1/2 - 9/16	4 5/16 - 4 7/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 9/16
90-day CDs dealers	5.60	5.61
180-day CP dealers	5.50	5.51
3 month Treasury bill	5.07	5.05
1-year Treasury bill	5.21	5.22
2-year Treasury bill	5.85	5.86
5-year Treasury note	6.10	6.10
7-year Treasury note	6.14	6.14
10-year Treasury note	6.18	6.19
30-year Treasury bond	6.48	6.48
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.46	0.48
1-month interbank	0.54	0.54
3-month interbank	0.63	0.63
6-month interbank	0.67	0.67
10-year Govt bond	2.55	2.59
Germany		
Lombard rate	4.50	4.50
Call money	3.08	3.10
1-month interbank	3.10	3.15
3-month interbank	3.15	3.15
6-month interbank	3.24	3.24
10-year Bond	5.80	5.79

Britain		
Bank base rate	6 3/4	6 3/4
Call money	6 3/4	6 3/4
1-month interbank	6 3/4	6 3/4
3-month interbank	6 15/16	6 15/16
6-month interbank	7 1/8	7 1/8
10-year Gilt	7.03	7.07
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 1/4	3 5/16
6-month interbank	3 5/16	3 5/16
10-year OAT	5.43	5.47

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	319.40	+0.15
London	318.75	319.40	+0.10
New York	318.50	324.70	+6.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

Lucent Buying Octel For Voice-Mail Boost

Compiled by Our Staff From Dispatches

MURRAY HILL, New Jersey — Lucent Technologies Inc. said Thursday that it would acquire Octel Communications Corp. for $1.8 billion in cash in a move to beef up its voice mail, fax and messaging technology business.

Lucent said it would pay $31 a share for Octel, a leader in voice-mail products. The price is a 16 percent premium over Octel's Wednesday closing price of $26.75.

Octel shares closed at $30.125 Thursday, up $3.375. Lucent shares closed at $86.125, down $2.5625.

Combining Octel with Lucent's messaging unit will create a business with more than $1 billion in annual sales and will target a $5 billion industry that is growing at a rate of 20 percent a year, Lucent said.

Lucent is a leading maker of phone equipment.

The acquisition will result in a "significant" one-time, noncash charge against Lucent's fourth-quarter earnings, the company said. It said the acquisition would be "neutral" to earnings in the first full year of operations and add to earnings thereafter.

Robert Cohn, founder, chairman and chief executive of Octel, will become president of the new messaging unit.

The transaction is expected to be completed by the end of August. *(Reuters, AFX, Bloomberg)*

Private Banking

Banks & Independent Asset Managers In Switzerland and Liechtenstein

The Wernlin Directory 1997

This leading reference book on asset management is updated annually with the collaboration of the banks and companies themselves. The 640 page 1997 third edition covers virtually all major institutions in Switzerland and Liechtenstein, together with a number of independent asset managers in Switzerland. In all, 128 Banks and 57 Asset Management companies. Details include assets under management, shareholders, names of executives with their area of responsibility, financial data, plus a ranking of banks by commission income. An index of 2900 executives with their telephone numbers completes the data base for easy reference. The introductory comments by the author on trends and developments in asset management will be of utmost interest to the investor and the professional alike.

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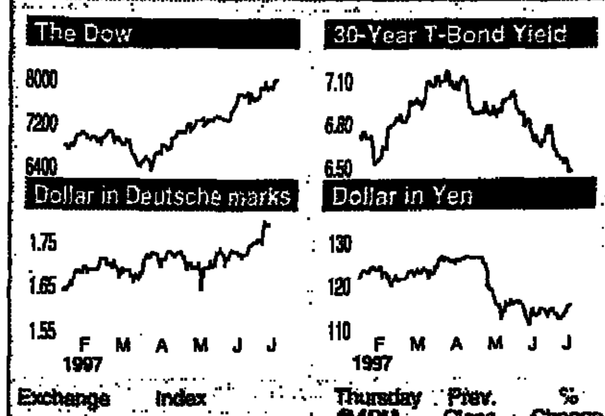
Continued on Page 18

THE AMERICAS

Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
NYSE	The Dow	8020.77	8038.88	-0.23
NYSE	S&P 500	931.60	936.56	-0.53
NYSE	S&P 100	910.54	913.87	-0.36
NYSE	Composite	482.96	485.24	-0.47
U.S.	Nasdaq Composite	1568.98	1580.63	-0.74
AMEX	Market Value	637.34	638.03	-0.11
Toronto	TSE Index	6752.50	6744.90	+0.11
São Paulo	Bovespa	11844.37	12517.33	-5.38
Mexico City	Bolsa	4810.20	4788.50	+0.45
Buenos Aires	Merval	812.94	826.09	-1.59
Santiago	IPSA General	5708.06	5746.33	-0.67
Caracas	Capital General	9182.90	9216.96	-0.37

Source: Bloomberg, Reuters — International Herald Tribune

Dollar Marches to New Gains Against Mark

Compiled by Our Staff From Dispatches

NEW YORK — The dollar continued its upward march against the Deutsche mark on Thursday as German officials maintained a policy of mild indifference to their currency's weakness.

The dollar also gained against other major currencies, particularly the yen after Japan said its June trade surplus was smaller than expected. The data left Japanese exporters with fewer dollars to sell and allayed concern over trade tensions with the United States.

The dollar was at 115.975 yen in late trading, up from 115.620 yen the day before, and at 1.7930 DM, compared with 1.7914 DM.

The dollar was also at 1.4808 Swiss francs, up from 1.4750 francs; and at 6.0565 French francs, up from 6.0450 francs.

The pound fell to $1.6733 from $1.6787.

The Bundesbank sought Thursday to cool currency-market speculation against the Deutsche mark, but analysts said more weakness was likely if the German authorities went no further than verbal intervention.

Hans Tietmeyer, the president of the Bundesbank, said he was watching developments "very carefully" and hoped the mark's correction against the dollar did not go too far. "For the most part, exchange-rate developments are the result of corrections, which were necessary," Mr. Tietmeyer said in Frankfurt. "I hope now that it will not come to an overreaction."

His comments followed a statement Wednesday by Chancellor Helmut Kohl's cabinet that Germany was in touch with other members of the Group of Seven leading industrialized nations on the rise of the dollar against the Deutsche mark. The dollar rose to 1.80 DM on Tuesday, a six-year high.

The currency moves, the statement added, reflected economic fundamentals as well as speculation before European economic and monetary union.

But beyond the hint at consultation with its G-7 partners, Bonn threatened no concrete action to prop up the mark.

On Thursday, a Bundesbank council member, Hans-Juergen Krupp, reinforced the official view, calling the Deutsche mark's recent drop a "correction" from the postwar highs it reached in March 1995.

Currency strategists said the mild tone of comments by both Bonn and Frankfurt this week showed Germany was prepared to live with a

FOREIGN EXCHANGE

weaker mark and that action in the form of currency intervention or interest-rate rises was not imminent.

German exporters, meanwhile, stressed the need for a strong and stable Deutsche mark to hold down the prices of vital imports.

"A weaker Deutsche mark hurts companies by raising the cost of imports," Guenter Albrecht, head of the economics department at the German chamber of commerce DIHT said. "If the downward trend of the mark continues, the Bundesbank will certainly have to take some action."

Traders said Japan's trade figures showed the dollar's 8 percent drop against the yen since early May could be reining in Japan's trade gap, which had swelled in the past couple months, sparking concern among U.S. officials.

"At least it raises the possibility that the yen has strengthened enough to ease trade tensions," Mr. Koss said.

Traders are now awaiting a U.S. report on Friday that is expected to show the trade deficit widened to $10.2 billion in April as exports slowed.

Also on Thursday, the chancellor of the Exchequer, Gordon Brown, said Britain's entry to the single currency faced "formidable obstacles." Echoing his Tory predecessor, the Labour official said Britain should only join "if the economic decisions are right, not on the basis of a timetable that has been set politically."

(Reuters, Bloomberg, NYT)

Market Smiles on Apple's Results

Compiled by Our Staff From Dispatches

CUPERTINO, California — Shares in Apple Computer Inc. rose Thursday in their first trading since the battered computer maker surprised Wall Street by reporting a smaller-than-expected loss for its third quarter.

Apple's loss grew to $56 million in the three months that ended June 27 from $32 million a year earlier. Still, that was better than analysts had predicted, and it allayed fears that the pioneering computer company was on the verge of collapse.

"It's not good news, but it does show one thing: They've got rid of the worst of the red ink," said Tim Bajarin, president of Creative Strategies Research International in San Jose, California.

Revenue for the quarter fell to $1.74 billion from $2.18 billion a year earlier. But it was up from $1.6 billion for the first three months of 1997, lifted mainly by sales to U.S. schools and to Japan. Apple announced the figures Wednesday after the stock market closed.

Apple has lost money in six of the past eight quarters. The company has been hurt by competition, high costs stemming from its production of both hardware and software, product delays, and mistakes in judging demand.

Since the abrupt dismissal last week of Apple's chairman and chief executive, Gilbert Amelio, concerns had mounted that the board had acted in the face of a potential financial meltdown.

The company's stock plunged briefly to a historic low of $12.75 before rebounding to close Wednesday at $16.4375 in Nasdaq trading, up 50 cents for the day.

Apple shares closed at $17.50 Thursday, up $1.0625.

Apple executives said the company's cash position was still strong, with slightly more than $1 billion on hand.

(NYT, AP, Bloomberg)

Very briefly:

McDonnell Douglas's Profit Jumps

ST. LOUIS (AP) — McDonnell Douglas Corp. said Thursday its second-quarter earnings rose 3.7 percent as a favorable resolution of state tax issues offset costs related to its pending acquisition by Boeing Co.

The aerospace manufacturer reported net earnings of $195 million, or 93 cents a share, on revenue of $3.56 billion for the quarter ended June 30, compared with $188 million, or 87 cents a share, on sales of $3.26 billion a year earlier.

Boeing's purchase of McDonnell Douglas is due to be completed Aug. 1, although strong opposition to the merger from the European Union has created uncertainty about the completion date.

Burlington to Buy Louisiana Land

NEW ORLEANS (AP) — Burlington Resources Inc. said it would acquire Louisiana Land & Exploration Co. for $2.5 billion in stock, creating a giant independent petroleum exploration and production company.

Houston-based Burlington also said it would assume $500 million in LL&E debt, bringing the value of the deal to $3 billion. The acquisition is expected to close in three months.

Burlington officials said the acquisition would give it strong offshore and onshore petroleum operations in the Gulf of Mexico and Kansas, Oklahoma and North Texas and the San Juan Basin, which straddles the Colorado-New Mexico border.

• **A New York Stock Exchange** seat sold for $1.35 million, a $175,000 increase from the previous sale July 1. The highest price ever paid for a seat was $1.45 million on May 7, 1996.

• **Time Warner Inc.** and **U S West Inc.** decided to remain partners, calling off talks to restructure their **Time Warner Entertainment** partnership, which is about 75 percent owned by Time Warner and includes four-fifths of Time Warner's cable systems.

Bloomberg, Reuters

Shares Slip as Profits Battle Profit-Taking

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices fell Thursday as a stream of stronger-than-expected earnings reports failed to overcome profit-taking by investors after Wednesday's record rally above 8,000.

The Dow Jones industrial average fell 18.11 points to close at 8,020.77, with declining issues outnumbering advancers by a 7-to-6 ratio on the New York Stock Exchange. The Standard & Poor's 500-stock index fell 4.99 to 931.60.

The Nasdaq composite index, which has set record highs for 10 straight sessions, fell 11.65 to 1,568.98, hurt by declines in 3Com, Ascend Communications and MCI.

Merck, McDonald's, Polaroid and Sears all rose after announcing second-quarter earnings rises. Coca-Cola shares also gained after the company reported second-quarter earnings rose 9.9 percent.

But the big events of the day were expected after the closing bell, when Microsoft and Sun Microsystems were to release their results. Both companies' shares were higher.

On Wednesday, technology shares led a broad rally spurred by more good news on company profits, inflation and interest rates. The Dow gained 63 points, breaking above the 8,000-barrier less than 2½ years after it first crossed 4,000.

There was little reaction to Thursday's economic news. The Com-

U.S. STOCKS

merce Department reported that housing starts rose 4.8 percent in June to 1.48 million, slightly more than expected, but the May estimate was revised to a steeper 6.6 percent decline.

The Labor Department said new claims for jobless benefits fell by 28,000 last week to 349,000. But the less volatile four-week average rose to 348,750, the highest since the period ended Jan. 18.

Bonds were little changed, and yields hovered at seven-month lows amid confidence inflation will remain tame, even as reports showed housing, employment and manufacturing may be picking up.

The price of the 30-year Treasury bond finished at 101 26/32, down 4/32, pushing the yield to 6.49 percent from 6.47 percent. *(AP, Bloomberg)*

AT&T: *Phone Company Embarks on New Search for Leadership and a Future*

Continued from Page 13

take over from Mr. Allen immediately.

People with knowledge of the company said the board wanted to move swiftly. They said that in addition to Mr. Zeglis, a leading candidate for the job is George Fisher, chairman and chief executive of Eastman Kodak Co., who recently joined AT&T's board.

These people noted that Mr. Fisher had not been named to the search committee, which would have forced him to withdraw his name from consideration for chief executive.

Mr. Elisha acknowledged that the board had made a mistake in choosing Mr. Walter. But he added, "At the time he was recruited, all of us as independent directors believed he was the best candidate for the job."

Although Mr. Allen played a pivotal role in choosing Mr. Walter, he was mum Wednesday about his departure, issuing no statements.

Analysts reacted to Wednesday's news with almost weary resignation as the latest in a skein of discouraging developments at AT&T.

Despite $1 billion in investments, AT&T has been able to offer local service in only four U.S. states since the Telecommunications Act of 1996 opened up the country' telephone market.

Those heavy investments have weakened profits, which have suffered this year from stiff competition in AT&T's core long-distance business and investments in other new business such as wireless services.

The succession crisis began last August with the resignation of Alex Mandl, once considered Mr. Allen's heir apparent, who left to run an small wireless company.

While some said the plan for Mr. Allen to step down immediately would remove an impediment that hampered last year's search, others said Mr. Walter's rocky ride might dissuade top-flight candidates.

As for Mr. Walter, his lawyer, Robert Barnett, said: "Mr. Walter's services will be in great demand in the future, in my view. John Walter will be just fine."

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8035.63	8068.38	7990.80	8020.77	-18.11
Trans	2888.81	2893.68	2844.30	2857.40	-36.79
Util	232.99	233.51	231.66	232.60	-0.86
Comp	2476.62	2478.97	2456.10	2465.72	-13.50

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1109.99	1093.57	1106.62	1100.98
Transp.	672.34	662.26	670.70	662.29
Utilities	202.15	201.43	201.95	199.97
Finance	105.53	103.95	105.25	104.73
SP 500	939.32	925.76	936.59	931.60
SP 100	917.46	904.20	913.87	910.54

NYSE

	High	Low	Last	Chg.
Composite	485.36	481.51	482.96	-2.28
Industrials	618.33	613.78	615.32	-1.98
Transp.	438.51	432.35	434.08	-4.43
Utility	291.19	285.26	286.08	-5.10
Finance	441.96	439.37	440.17	-1.48

Nasdaq

	High	Low	Last	Chg.
Composite	1581.26	1564.92	1568.98	-11.65
Industrials	1246.43	1226.94	1237.89	-10.89
Banks	1683.74	1666.76	1670.45	-9.77
Insurance	1493.09	1482.43	1488.42	-1.88
Finance	1989.49	1981.52	1983.75	-5.45
Transp.	1005.14	992.19	993.27	-11.44

AMEX

High	Low	Last	Chg.
638.64	636.29	637.34	-0.67

Dow Jones Bond

	Close	Chg.
20 Bonds	104.14	+0.03
10 Utilities	101.58	+0.02
10 Industrials	106.71	-0.04

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
ColHCA s	122296	34¼	32¾	33¾	[illegible]
AT&T s	115164	36¼	34	35	-1⅛
EKodak	96996	68	65	66⅞	[illegible]
Merck	92438	108¼	[illegible]	[illegible]	[illegible]
Pfizer s	81229	61¼	[illegible]	[illegible]	[illegible]
IBM s	77815	107⅞	97⅝	100	[illegible]
PepsiCo	72578	36¼	35⅛	[illegible]	[illegible]
PhilMor s	70812	43⅛	42	42	[illegible]
WDigit s	64099	41	[illegible]	[illegible]	[illegible]
InfGame	59684	17¾	16	[illegible]	[illegible]
Gate2000 s	53713	42	[illegible]	[illegible]	[illegible]
AES Cp	53103	80	[illegible]	[illegible]	[illegible]
LaLand	51966	67¼	[illegible]	[illegible]	[illegible]
TelBrasl	50069	148	135	135½	[illegible]
TimeWarn	45874	50¼	[illegible]	[illegible]	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	233635	89⅞	86	87⅞	[illegible]
Oclel	[illegible]	[illegible]	[illegible]	[illegible]	+3
Micrsft s	143622	150¼	146½	148¾	[illegible]
SunMic s	131488	47⅞	45⅛	46	[illegible]
MCI	97976	36½	[illegible]	36	[illegible]
3Com	92519	57⅛	[illegible]	[illegible]	[illegible]
Quantum s	81642	27⅞	25¾	[illegible]	[illegible]
Cirrus	67705	13⅝	12½	13⅛	[illegible]
Cisco	67175	79⅛	77⅞	[illegible]	[illegible]
DellCpt s	65537	152⅝	146	150⅞	[illegible]
Ascend	63861	54⅞	51⅞	[illegible]	[illegible]
AppleC	63589	18½	16¾	[illegible]	[illegible]
AsdcTel s	59213	21⅛	19	19¼	[illegible]
WorldCm	54765	32⅝	32¼	32⅝	[illegible]
Oracle	51687	57⅝	56	56⅞	[illegible]

AMEX

	Vol.	High	Low	Last	Chg.
Harken	25142	6⅝	5⅞	[illegible]	[illegible]
SPDR	17559	93⅞	92⅞	93⅛	[illegible]
ElPasoE	16959	6⅛	6¼	6⅜	[illegible]
TWA	16878	7	6⅝	6¾	[illegible]
ViacB	8231	28⅛	27⅛	28	[illegible]
EchoBay	7897	5⅛	5	5⅛	[illegible]
CrystlOil gn	6722	27⅞	27⅛	27⅞	[illegible]
PhxNet	6589	1⅛	1⅛	1⅛	[illegible]
Amdex	6525	5⅛	4⅞	4⅞	[illegible]
Nabors	6524	31⅛	30⅛	30⅞	[illegible]

Trading Activity

NYSE

	Close	Prev.
Advanced	1296	1993
Declined	1586	931
Unchanged	555	520
Total issues	3437	3433
New Highs	163	526
New Lows	12	16

Nasdaq

	Noon	Prev.
Advanced	1408	2285
Declined	1899	1887
Unchanged	2100	1550
Total issues	5407	5722
New Highs	174	438
New Lows	52	50

AMEX

	Close	Prev.
Advanced	222	326
Declined	274	257
Unchanged	158	187
Total issues	754	770
New Highs	51	73
New Lows	9	7

Market Sales

	Today 4:00	Prev. cons.
NYSE	634.47	789.93
Amex	27.23	36.63
Nasdaq	702.89	836.20

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Chase Manh ad	-	1.4385	9-15	9-30
New Age Media	-	.03	7-22	7-25
STOCK SPLIT				
Fst Nrthm Cap 2 for 1 split.				
Fst Westrn Bcp 3 for 2 split.				
Ipswich Svgs 2 for 1 split.				
Mercantile Bncp 3 for 2 split.				
Plexus Corp 2 for 1 split.				
STOCK				
MidSouth Bncp		12.5%	8-6	8-27
REVERSE STOCK SPLIT				
Centennial Bncp 1 for 10 reverse split.				
INCREASED				
Fst Charter Cp	Q	.14	9-19	10-14
Fst Wstrn Bncp	Q	.22	7-28	8-5
INITIAL				
Fst Natl Cp SC n	..	.10	7-25	8-8
KS Bncp n	-	.15	7-25	8-3
Heritage FclSvc n	-	.10	7-28	8-12
Merchants Bcshrs	-	.15	7-30	8-8
REGULAR				
Ashland Inc	Q	.275	8-26	9-15
Capitol Bncp Ltd	Q	.10	8-1	9-1
Charter OneFncl	Q	.25	8-6	8-22
Colonial Gas	Q	.335	8-29	9-15
FFD Fncl	Q	.075	7-31	8-15
Fst SoutheastFcl	Q	.06	7-24	8-1
Harris SvgsBk	Q	.145	7-29	8-12
Hubco Inc	Q	.19	8-18	9-2
KeyCorp	Q	.42	9-2	9-15
McDonald's Corp	Q	.0825	8-29	9-12
Mercantile Banc	Q	.43	9-10	10-1
Movado Group	Q	.03	7-24	7-31
New York Times	Q	.16	9-2	9-19
Newmont Gold	Q	.12	7-30	8-28
Newmont Mining	Q	.12	7-30	8-28
Northern Trust	Q	.18	9-10	10-1
Ogden Corp	Q	.3125	9-12	10-3
Penn Enterpr	Q	.30	9-2	9-15
Realty Inco Cp	M	.1575	8-1	8-15
SIGCORP Inc	Q	.295	8-22	9-20
Schwab Charles	Q	.05	8-14	8-28
Sherwin Williams	Q	.10	8-22	9-5
Star Gas Ptnrs	Q	.55	8-1	8-14
Regions Fncl	Q	.20	9-15	10-1
St Joseph LtPwr	Q	.24	8-4	8-18
SouthFirst Bcshrs	Q	.125	8-1	8-15
SouthTrust Corp	Q	.25	8-22	10-1
Transam Inco Shrs	M	.16	7-31	8-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

July 17, 1997

Grains

	High	Low	Latest	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	269¾	263½	265½		7,216
Sep 97	253	245½	247¼		63,230
Dec 97	254	246½	248½		140,478
Mar 98	262	254½	256¾		28,571
May 98	266	259½	262¼		5,343
Jul 98	269	263	264¾		8,671
Sep 98	259	255½	256¾		964
Est. sales N.A. Wed's. sales 72,506					
Wed's open int 259,383 off 5603					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 97	271.00	265.50	267.30		3,706
Aug 97	248.50	241.60	242.90		26,048
Sep 97	224.00	218.00	219.30		17,115
Oct 97	206.00	200.00	200.30		14,319
Dec 97	198.00	192.00	193.30		36,747
Jan 98	196.00	190.60	191.50		5,471
Est. sales N.A. Wed's. sales 21,062					
Wed's open int 115,334 up 1396					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Jul 97	22.33	21.99	22.00		669
Aug 97	22.43	22.03	22.05		20,259
Sep 97	22.59	22.20	22.21		16,286
Oct 97	22.64	22.25	22.26		14,049
Dec 97	22.81	22.45	22.46		40,792
Jan 98	22.98	22.58	22.58		5,491
Est. sales N.A. Wed's. sales 13,803					
Wed's open int 102,259 off 90372					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	788	777	774½		2,171
Aug 97	754	733	738		34,116
Sep 97	656½	641	644½		13,277
Nov 97	614½	597½	600¾		71,939
Jan 98	616½	601	603¾		14,794
Est. sales N.A. Wed's. sales 51,759					
Wed's open int 146,547 up 1381					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	337	323	325		777
Sep 97	335	330	331½		42,036
Dec 97	349½	345	347		37,094
Mar 98	358½	354½	357½		6,795
Est sales N.A. Wed's. sales 16,749					
Wed's open int 91,014 up 489					

Livestock

	High	Low	Latest	Chge	Opint
CATTLE (CMER) 40,000 lbs - cents per lb					
Aug 97	66.70	66.17	66.57	-0.07	32,437
Oct 97	69.60	69.17	69.57		34,380
Dec 97	71.60	71.22	71.57	+0.10	15,897
Feb 98	73.50	73.05	73.50	+0.02	8,390
Apr 98	75.37	75.00	75.37	+0.05	3,486
Jun 98	72.05	71.75	71.80	+0.05	2,444
Est sales 11,360 Wed's. sales 24,345					
Wed's open int 97,008 off 468					
FEEDER CATTLE (CMER) 50,000 lbs. - cents per lb					
Aug 97	82.85	81.70	82.75	+0.65	10,998
Sep 97	82.75	81.75	82.72	+0.42	3,831
Oct 97	82.90	82.05	82.87	+0.70	4,531
Nov 97	83.97	83.25	83.85	+0.17	3,737
Jan 98	84.70	84.25	84.57	+0.02	1,624
Mar 98	84.45	83.80	84.40	+0.20	770
Est sales 3,413 Wed's. sales 4,099					
Wed's open int 24,486 off 68					
HOGS-Lean (CMER) 40,000 lbs - cents per lb					
Jul 97			83.72		2,894
Aug 97	81.35	80.35	80.82	+0.17	17,916
Oct 97	74.40	73.55	74.00	+0.17	12,044
Dec 97	71.10	70.40	70.82	-0.07	5,282
Feb 98	69.55	69.05	69.50	+0.02	1,919
Est. sales 5,579 Wed's. sales 5,797					
Wed's open int 36,970 up 177					
PORK BELLIES (CMER) 40,000 lbs. - cents per lb					
Jul 97	88.40	85.05	88.10	+2.50	470
Aug 97	85.42	82.80	85.42	+3.00	4,386
Feb 98	72.70	71.15	72.17	+1.45	915
Est. sales 1,730 Wed's. sales 1,379					
Wed's open int 5,802 off 157					

Food

	High	Low	Latest	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1560	1526	1534	-42	31,738
Dec 97	1606	1576	1583	-42	23,309
Mar 98	1635	1612	1617	-43	21,767
May 98	1658	1637	1632	-43	10,110
Jul 98	1680	1655	1655	-43	1,178
Sep 98	1703	1675	1675	-43	3,705
Est. sales 10,536 Wed's. sales 5,087					
Wed's open int 102,717 off 209					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
Jul 97	190.00	186.00	186.90	-0.35	320
Sep 97	163.50	159.00	160.45	-1.05	11,330
Dec 97	150.50	147.25	147.80	-0.70	5,779
Mar 98	140.50	138.00	138.50	-0.75	2,698
May 98	137.50	134.40	134.40	-1.10	970
Est. sales 4,613 Wed's. sales 8,705					
Wed's open int 21,721 up 732					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb					
Oct 97	11.31	11.15	11.16	-0.14	91,990
Mar 98	11.48	11.35	11.35	-0.12	45,826
May 98	11.34	11.26	11.26	-0.07	10,460
Jul 98	11.26	11.19	11.19	-0.06	5,244
Est. sales 14,510 Wed's. sales 34,473					
Wed's open int 156,821 up 4030					

Metals

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	75.10	73.75	73.85	-0.95	19,507
Nov 97	77.35	76.20	76.35	-1.10	6,777
Jan 98	80.50	79.45	79.50	-0.90	2,767
Mar 98	83.40	82.45	82.50	-0.80	2,030
Est. sales N.A. Wed's. sales 1,550					
Wed's open int 31,637 up 124					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jul 97			324.80	+6.00	2
Aug 97	325.00	318.40	324.70	+6.00	104,310
Sep 97			325.40	+6.10	2
Oct 97	326.70	321.30	326.30	+6.10	11,138
Dec 97	328.80	322.80	328.30	+6.20	43,139
Feb 98	330.80	328.00	330.50	+6.40	11,428
Apr 98	332.70	327.80	332.70	+6.50	5,133
Jun 98	335.70	329.80	335.10	+6.50	7,472
Aug 98			337.60	+6.60	1,355
Est. sales N.A. Wed's. sales 40,883					
Wed's open int 222,069 up 4699					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jul 97	109.90	106.30	108.90	+1.90	4,719
Aug 97	107.00	104.70	106.95	+2.90	3,496
Sep 97	106.60	102.50	106.45	+2.65	22,366
Oct 97	105.25	103.60	105.25	+2.35	1,477
Nov 97	104.95	103.40	104.95	+2.25	1,256
Dec 97	103.75	100.80	103.75	+1.85	7,688
Jan 98			102.95	+1.85	742
Feb 98			102.30	+1.70	632
Mar 98	101.70	100.20	101.70	+1.60	2,479
Est. sales N.A. Wed's. sales 7,573					
Wed's open int 49,089 off 920					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jul 97	421.70	418.50	421.70	+6.70	146
Aug 97			421.80		
Sep 97	428.50	414.50	424.50	+6.00	67,380
Dec 97	433.00	424.00	430.70	+6.10	15,318
Jan 98	432.40	430.00	432.40	+6.10	20
Mar 98	437.50	432.00	436.80	+6.20	9,437
May 98	440.60	437.00	440.60	+6.20	2,864
Jul 98	444.40	438.00	444.40	+6.20	2,067
Est sales N.A. Wed's. sales 14,197					
Wed's open int 101,907 up 2752					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 97	408.70	401.00	408.70	+6.50	397
Oct 97	394.50	387.50	393.70	+1.50	9,713
Jan 98	388.70	384.00	388.70	+1.50	1,879
Est sales N.A. Wed's. sales 735					
Wed's open int 12,138 off 200					

LONDON METALS (LME)
Dollars per metric ton

		Close		Previous	
Aluminum (High Grade)					
Spot	1550½	1551½	1537½	1538	
Forward	1577.00	1578.00	1566.00	1567.00	
Copper Cathodes (High Grade)					
Spot	2401.00	2405.00	2343.00	2346.00	
Forward	2270.00	2271.00	2254.00	2255.00	
Lead					
Spot	627½	628½	627.00	628.00	
Forward	639.00	640.00	640.00	641.00	
Nickel					
Spot	6710.00	6720.00	6615.00	6620.00	
Forward	6825.00	6830.00	6725.00	6735.00	
Tin					
Spot	5375.00	5385.00	5370.00	5380.00	
Forward	5430.00	5435.00	5430.00	5435.00	
Zinc (Special High Grade)					
Spot	1508.00	1509.00	1490½	1492½	
Forward	1510.00	1511.00	1495.00	1497.00	

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct					
Sep 97	94.91	94.89	94.89		7,509
Dec 97	94.77	94.75	94.75		612
Mar 98			94.68		34
Est sales N.A. Wed's. sales 189					
Wed's open int 8,155 up 58					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	107-22	107-09	107-11		226,066
Dec 97	107-02	106-59	106-59		2,470
Mar 98			-01		
Est sales N.A. Wed's. sales 33,901					
Wed's open int 228,536 up 1770					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	110-02	109-22	109-26		351,923
Dec 97	109-23	109-15	109-15	-01	8,082
Mar 98			109-04	-01	228
Est. sales N.A. Wed's. sales 73,610					
Wed's open int 360,234 up 3543					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	115-02	114-12	114-21	-01	503,603
Dec 97	114-21	114-08	114-09	-01	32,761
Mar 98	114-05	114-02	114-02		13,815
Jun 98	113-21	113-18	113-21		887
Est sales N.A. Wed's. sales 465,510					
Wed's open int 552,568 up 22166					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct					
Aug 97	94.34	94.33	94.33		21,546
Sep 97	94.33	94.31	94.32		5,756
Oct 97	94.29	94.29	94.29		3,053
Est sales N.A. Wed's. sales 7,856					
Wed's open int 38,275 off 16008					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.99	102.60	102.80	+0.37	272,714
Dec 97	101.97	101.75	101.90	+0.37	10,506
Est sales 147,902 Prev sales 167,298					
Prev open int 283,220 off 1,186					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	115-05	114-16	114-23	+0-09	173,991
Dec 97	N.T.	N.T.	114-11	+0-09	1,113
Est. sales: 89,129. Prev. sales: 67,927					
Prev. open int.: 175,104 off 686					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	130.60	130.26	130.44	+0.30	209,911
Dec 97	99.26	98.98	99.16	+0.32	4,367
Mar 98	98.38	98.38	98.56	+0.32	0
Est sales: 110,195.					
Open int.: 214,278 up 327.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	136.75	135.84	136.44	+0.83	103,573
Dec 97	N.T.	N.T.	108.30	+0.67	2,352
Est. sales: 52,248. Prev. sales: 46,508					
Prev open int.: 105,925 up 511					
EURODOLLARS (CMER) $1 million-pts of 100 pct					
Aug 97	94.26	94.25	94.25		23,917
Sep 97	94.24	94.23	94.23		533,704
Dec 97	94.09	94.06	94.06		464,892
Mar 98	94.04	94.00	94.01		370,429
Jun 98	93.95	93.92	93.92		266,787
Sep 98	93.86	93.83	93.83		210,719
Dec 98	93.75	93.71	93.72		159,183
Mar 99	93.75	93.70	93.71		120,793
Jun 99	93.71	93.67	93.67		90,999
Sep 99	93.68	93.65	93.65		77,468
Dec 99	93.62	93.59	93.59		70,240
Est. sales N.A. Wed's. sales 376,739					
Wed's open int 2,700,974 up 13426					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.6754	1.6616	1.6690		62,403
Dec 97	1.6662	1.6560	1.6632		886
Mar 98			1.6572		4
Est. sales 11,463 Wed's. sales 7,453					
Wed's open int 63,273 off 833					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can. dlr					
Sep 97	7313	7280	7291		41,491
Dec 97	7345	7312	7319		2,773
Mar 98	7365	7337	7343		567
Est sales 10,594 Wed's. sales 9,911					
Wed's open int 44,913 up 1454					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	5617	5573	5595		110,569
Dec 97	5648	5615	5631		1,146
Mar 98			5667		433
Est. sales 10,234 Wed's. sales 17,359					
Wed's open int 112,252 off 2029					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	8745	8666	8685		58,565
Dec 97	8860	8775	8797		1,572
Mar 98			8911		172
Est sales N.A. Wed's. sales 24,063					
Wed's open int 65,290 up 1829					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	6826	6751	6775		51,619
Dec 97	6873	6855	6860		1,362
Mar 98			6934		658
Est sales N.A. Wed's. sales 12,441					
Wed's open int 53,756 off 1573					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	12570	12520	12550		19,535
Dec 97	12025	11960	11975		11,616
Mar 98	11650	11500	11500		4,336
Est sales N.A. Wed's. sales 12,341					
Wed's open int 37,251 up 1815					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
[illegible]					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
[illegible]					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
[illegible]					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
[illegible]					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	74.85	74.10	74.78	+0.60	12,249
Dec 97	74.84	74.15	74.78	+0.58	46,427
Mar 98	76.05	75.45	75.98	+0.58	9,616
May 98	76.63	76.15	76.63	+0.58	2,462
Jul 98	77.15	76.85	77.15	+0.50	1,483
Est. sales N.A. Wed's. sales 5,831					
Wed's open int 77,778 off 110					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Aug 97	54.40	52.60	53.89	+1.21	30,419
Sep 97	54.90	53.20	54.33	+0.98	27,622
Oct 97	55.40	53.90	54.98	+0.88	23,518
Nov 97	56.30	55.35	55.83	+0.83	15,725
Dec 97	57.10	55.80	56.63	+0.83	18,402
Jan 98	57.50	56.25	57.18	+0.78	14,292
Feb 98	57.75	56.40	57.43	+0.73	7,372
Mar 98	57.10	55.95	56.63	+0.68	6,604
Apr 98	55.90	55.20	55.33	+0.63	2,981
Est. sales N.A. Wed's. sales 23,438					
Wed's open int 153,640 off 2029					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Aug 97	20.24	19.53	20.00	+0.35	50,286
Sep 97	20.23	19.60	20.03	+0.37	74,928
Oct 97	20.19	19.78	20.00	+0.26	45,443
Nov 97	20.17	19.87	19.93	+0.16	21,936
Dec 97	20.13	19.85	19.95	+0.16	45,995
Jan 98	20.10	20.00	20.00	-0.19	24,222
Feb 98	20.07	20.00	20.05	+0.22	11,713
Mar 98	20.03	19.95	20.03	+0.08	5,544
Apr 98	20.03	20.00	20.00	+0.14	5,318
May 98	20.03	20.00	20.03	+0.14	7,076
Est sales N.A. Wed's. sales 112,653					
Wed's open int 416,101 up 5941					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Aug 97	2.225	2.152	2.175		30,497
Sep 97	2.250	2.130	2.132		29,769
Oct 97	2.195	2.130	2.141		24,988
Nov 97	2.315	2.260	2.275		11,978
Dec 97	2.445	2.395	2.408		15,893
Jan 98	2.480	2.440	2.448		15,713
Feb 98	2.390	2.363	2.363		10,698
Mar 98	2.280	2.250	2.250		7,830
Apr 98	2.145	2.120	2.120		3,581
May 98	2.105	2.080	2.080		2,863
Est sales N.A. Wed's. sales 31,368					
Wed's open int 200,663 up 1498					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Aug 97	62.95	60.25	61.89	+1.43	29,068
Sep 97	59.95	58.50	59.41	+1.13	22,500
Oct 97	57.90	57.05	57.51	+0.98	9,222
Nov 97	57.20	56.40	56.62	+0.84	3,585
Dec 97	56.50	55.90	56.19	+0.75	6,684
Jan 98	56.40	55.80	56.39	+0.73	5,364
Feb 98			56.79	+0.68	1,401
Mar 98	57.50	57.44	57.44	+0.68	1,390
Est sales N.A. Wed's. sales 27,689					
Wed's open int 82,551 up 1844					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Aug 97	168.00	163.75	167.00	+3.25	22,109
Sep 97	169.00	165.00	168.25	+2.50	9,450
Oct 97	170.50	167.25	170.50	+2.50	8,141
Nov 97	172.50	169.25	172.50	+2.75	5,187
Dec 97	174.00	170.75	174.00	+2.75	10,323
Jan 98	173.25	171.75	174.75	+2.75	6,445
Feb 98	172.00	172.00	174.75	+2.50	3,667
Mar 98	N.T.	N.T.	173.25	+2.50	1,822
Est sales: 17,597 Prev sales: 11,892					
Prev open int 71,301 off 1,382					

Stock Indexes

	High	Low	Latest	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Sep 97	944.70	933.50	936.00	-6.30	183,996
Dec 97	953.70	947.05	947.00	-6.50	5,435
Mar 98			962.45		1,855
Est sales N.A. Wed's. sales 64,519					
Wed's open int 191,903 up 3814					
CAC 40 (MATIF) FF200 per index point					
Jul 97	3019.00	2964.0	2964.0	-33.0	30,729
Aug 97	3025.00	2977.0	2974.5	-32.5	3,140
Sep 97	3035.00	2980.0	2982.5	-33.0	21,579
Dec 97	N.T.	N.T.	3007.50	-31.5	990
Mar 98	N.T.	N.T.	3031.00	-32.5	8,417
Est. sales: 21,440.					
Open int.: 72,951 up 1 015.					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	5055.0	5042.0	4980.0	-36.0	75,076
Dec 97	5068.0	5057.5	5042.5	-36.5	4,623
Mar 98	N.T.	N.T.	5082.0	-36.0	102
Est sales: 18,635 Prev sales: 23,056					
Prev open int.: 79,802 up 3,636					

Commodity Indexes

	Close	Previous
Moody's	1,525.20	1,525.20
Reuters	1,888.20	1,887.80
D.J. Futures	147.20	146.86
CRB	234.19	234.02

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

See our Recruitment every Monday in The Intermarket

صكذا من الاصل

Market Smiles on Apple's Results

CUPERTINO, California Shares in Apple Computer rose Thursday in their first trading since the battered computer maker surprised Wall Street by reporting a smaller-than-expected loss for its third quarter.

Apple's loss grew to $56 million in the three months ended June 27 from $32 million a year earlier. Still, that was better than analysts had predicted, and it allayed fears that the pioneering computer company was on the verge of collapse.

"It's not good news, but it does show one thing: They've got rid of *the* worst of the ink," said Tim Bajarin, president of Creative Strategies Research International in San Jose, California.

Revenue for the quarter rose to $1.74 billion from $2.18 billion a year earlier. But it was up *from* $1.6 billion for the first three months of 1997, lifted mainly by sales to U.S. schools and to Japan. Apple announced the figures Wednesday after the stock market closed.

Apple has lost money in all of the past eight quarters. The company has been hurt by competition, high costs stemming from its production of both hardware and software, product delays, and mistakes in judging demand.

Since the abrupt dismissal last week of Apple's chairman and chief executive Gilbert Amelio, concerns had mounted that the board had acted in the face of a potential financial meltdown.

The company's stock plunged briefly to a historic low of $12.75 before rebounding to close Wednesday at $16.43 in Nasdaq trading, up 50 cents for the day.

Apple shares closed at $17.56 Thursday, up $1.062

Apple executives said the company's cash position is still strong, with slightly more than $1 billion on hand.

A.F., Bloomberg

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Discover The Link To Life

SGS Net Falls 50%, But Upturn Is Forecast

Compiled by Our Staff From Dispatches

PARIS — SGS-Thomson Microelectronics NV said Thursday its profit for the first half was down almost 50 percent from the same period last year but that it expected an improvement in margins in the fourth quarter.

The French-Italian concern said its first-half net income fell to $182.6 million from $351.1 million and that its second-quarter profit also fell about 48 percent, to $92.1 million.

The second-quarter earnings equaled 66 cents a share, in line with a forecast made in the company's profit warning June 5.

Still, SGS-Thomson failed to match growth at U.S. rivals Intel Corp. and Texas Instruments Inc. as it continued to depend too much on the European market and on standard microprocessors, which carry lower profit margins than custom chips, analysts said.

SGS-Thomson, which reports its results in dollars, also suffered from the strength of the U.S. currency.

The company also announced an agreement with Alcatel Alsthom SA, Europe's biggest telecommunications-equipment company, to make and sell high-speed communications systems.

Shares of SGS-Thomson closed Thursday at 537 francs ($88.83), down 24. The stock rose 11 percent in the previous two days. *(Reuters, Bloomberg)*

■ Boost for Thomson-CSF

Thomson-CSF shares rose 6.5 francs, or 4.02 percent, to 168.10 after France's finance minister said the government would give up majority control of the defense electronics company eventually, Bloomberg News reported. On Friday the government canceled plans to auction off its majority stake and said it would reorganize the French defense industry with Thomson at its core.

EU Sees Asian Snag in Finance Trade Pact

Compiled by Our Staff From Dispatches

GENEVA — The European Union said Thursday it was happy with an enhanced U.S. proposal for a global financial services accord, but it warned that the pact could still founder if Asian countries tighten curbs on foreign investment in the industry.

The warning, which specifically pointed to Malaysia, was issued as members of the World Trade Organization began two days of talks on the deal, which faces a deadline of Dec. 12 for completion.

The EU's top negotiator, Hans Friedrich Beseler, said the Union was pleased with the U.S. proposal, submitted Monday, which would allow foreign financial firms a level playing field in the country. The U.S. had torpedoed an agreement in 1995, claiming that commitments to opening markets, particularly by emerging economies, were not strong enough.

"The main stumbling block was the uncertainty about the U.S. position," Mr. Beseler said. The United States has the world's largest national market for financial services and is therefore vital for a global deal.

Mr. Beseler added, however, that he was worried about the direction of proposed banking, insurance and securities legislation in certain Asian countries, including Malaysia.

Malaysian moves aimed at forcing out foreign firms in its financial services market "are exactly the opposite of what we are trying to do," he said.

"This could be a serious problem if other countries follow suit, and there are signs that Malaysia is unfortunately not alone," he said. "Indonesia, and perhaps others, may also be going in that direction."

Jeff Lang, the U.S. deputy trade representative, is scheduled to visit seven Asian capitals in August, including Bangkok, Jakarta and Manila, to squeeze out better deals.

Earlier this week, U.S. officials also warned that Asian and Latin American reluctance to open markets for banking, securities and insurance could wreck any hopes for a deal. And a deal, big powers argue, would benefit developing countries.

Mr. Beseler, director-general for commercial policy in the European Commission's external relations department, said the Japanese offer to open its markets included "significant improvements" that met many EU concerns.

He indicated that, although the latest Canadian package did not go much further than its offer in the 1995 talks, Brussels was ready to wait for the new government in Ottawa to settle in and make more far-reaching proposals.

But Mr. Beseler said South Korea was "not as forthcoming as we would like it to be," while Brazil — the major financial service power in Latin America — was showing reluctance to allow in new banks and insurance companies from outside.

(AFP, Reuters)

Chief of Finmeccanica Resigns

Bloomberg News

ROME — Bruno Steve, the chief executive of Finmeccanica SpA, has resigned, six weeks after a new chairman was put in above him at the state-controlled defense and engineering company.

Finmeccanica said Thursday that Mr. Steve resigned because he "considered that he had fulfilled his professional experience at the company after having assured continuity at a delicate moment."

Finmeccanica did not say who would succeed Mr. Steve.

In a board shuffle in early June, Mr. Steve was kept on as chief executive, though a new chairman, Sergio Carbone, was given extended powers and a new position of vice chairman was filled by Alberto Lina.

Mr. Carbone replaced Fabiano Fabiani, who resigned in late April after the Italian government holding company that controls Finmeccanica criticized his management and imposed a reorganization on the company, Italy's second-largest manufacturer after Fiat SpA. Mr. Steve was not singled out for criticism at the time.

Mr. Steve has held various positions in state companies since the 1980s. The government of Prime Minister Romano Prodi, elected a year ago in April, has recently swept out several leaders of state-run businesses, replacing them with figures from universities, law or private businesses.

Mr. Carbone is an international lawyer. A professor, Gian Maria Gros-Pietro, in June was made chairman of Istituto per la Ricostruzione Industriale SpA, the holding company that controls Finmeccanica.

Executives from private industry have been brought in to run the state electrical utility Enel SpA and telecommunications company Stet SpA.

Finmeccanica in 1996 had a net loss of 540 billion lire ($309.6 million). It is 63 percent owned by IRI and 23.3 percent by a group of banks. Only 13 percent is publicly traded.

Thyssen AG Announces Share Issue

Bloomberg News

DUSSELDORF — Thyssen AG, the largest diversified steelmaker in Germany, announced Thursday that it would sell up to 3 million new shares, raising as much as 1.3 billion Deutsche marks ($725 million) to help pay for its reorganization.

The company said its supervisory board approved its request to increase its capital by up to 10 percent. At the current market price of 431 DM a share, the sale could raise 1.3 billion DM.

The so-called book-building phase of the sale, during which the company canvasses investors for potential interest in the shares, is scheduled to take place during the first two weeks of September, Thyssen said. It has hired Commerzbank to manage the share of sales to the public.

The company said it wanted to raise the capital to expand one or more of its most profitable activities. Thyssen is in the middle of a reorganization under which it is selling or closing 23 of its original 68 units to focus on its most profitable activities in flat steel, auto parts, elevators, production systems and machinery.

Marks & Spencer to Get New Sites

Compiled by Our Staff From Dispatches

LONDON — Marks & Spencer PLC said Thursday it would buy 19 stores from Littlewoods Organisation PLC in a deal that is likely to mean job cuts at Littlewoods.

Marks & Spencer, Britain's biggest clothing retailer, said the £192.5 million ($322.5 million) deal would be a boon to its long-held plans for expansion.

The company has repeatedly said that it is looking for sites for new stores in Britain and has expressed frustration at the lack of space available. The new sites, spread throughout Britain, will open progressively throughout next year, Marks &Spencer said.

"This is the icing on the cake for Marks & Spencer," said William Cullum, analyst at Paribas Capital Markets. The purchase will lift annual sales by 5 percent at relatively little cost, he said.

Marks & Spencer has no stock or staff obligations under the agreement with Littlewoods, which means that 1,700 to 1,800 Littlewoods jobs are likely to disappear, industry analysts said. About 80 percent of these jobs would be part-time.

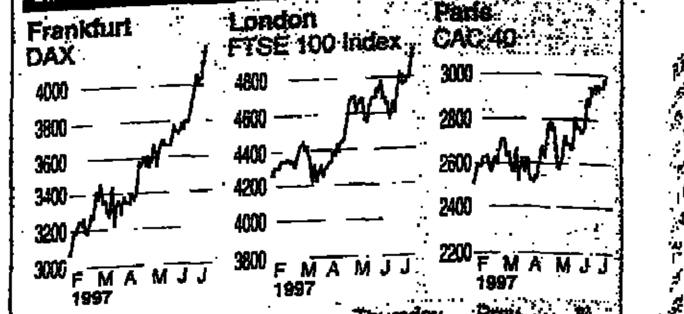
The new stores will be in addition to Marks & Spencer's existing expansion plans, the company said. The sale is subject to the final approval of Littlewoods shareholders.

For Littlewoods, the sale is the latest in a series of changes in the wake of falling profit at its clothing retail business. The privately held company put its 135 stores on sale in March. It plans to convert those it does not sell to outlets for its own products and to concentrate on its other businesses, including catalog shopping and soccer betting pools.

Marks & Spencer's stock closed in London at 592.5 pence, up 5.5.

(Reuters, Bloomberg)

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	953.37	965.25	-1.23
Brussels	BEL-20	2,541.40	2,531.11	+0.41
Frankfurt	DAX	4,227.31	4,201.24	+0.62
Copenhagen	Stock Market	656.29	640.63	+2.44
Helsinki	HEX General	3,530.93	3,499.60	+0.91
Oslo	OBX	688.48	691.37	-0.42
London	FTSE 100	4,948.98	4,964.20	-0.31
Madrid	Stock Exchange	624.55	624.15	+0.06
Milan	MIBTEL	14825	14371	+3.16
Paris	CAC 40	2,958.59	2,988.01	-0.98
Stockholm	SX 16	3,515.96	3,559.39	-1.22
Vienna	ATX	1,429.29	1,406.34	+1.63
Zurich	SPI	3,704.95	3,730.31	-0.68

Source: Telekurs — International Herald Tribune

Very briefly:

- **British Steel PLC** will launch a stock-buyback program, after months of denying it would spend some of its £785 million ($1.3 billion) of available cash on helping its share price rebound from the effects of the strong pound. The steelmaker did not say how much stock it would buy back.
- **Jefferson Smurfit Corp.** had a loss of $4 million in the second quarter, largely because of a slump in prices for newsprint and corrugated containers.
- **Granada Group PLC** won control of **Yorkshire-Tyne Tees Television**, a station belonging to the ITV network of 15 regional licensees. Granada said its bid of £675 million for the station had won acceptances representing 53.2 percent of Yorkshire's share capital.
- **International Business Machines Corp.** and **Gemplus**, the world's leading maker of so-called smart cards, signed an agreement to cooperate on marketing, sales and development of products using smart-card technology.
- **Komercni Banka** said the recent floods in parts of the Czech Republic would hamper the economy, lowering 1997 gross domestic product growth to the bottom of a forecast range of 1.5 percent to 2.5 percent.
- **Daimler-Benz AG** is seeking an international partner for its unprofitable **Temic Telefunken Microelectronic GmbH** unit but declined to comment on a report it was seeking to sell most of its stake in the microelectronics concern.
- **MAID PLC** said it would develop information services for **British Telecommunications PLC**'s new intranet service, Intranet Complete. Separately, **Reuters Holdings PLC** said it would deliver up-to-the-minute news for the network.
- **Shimoda Capital Advisors** unveiled a new fund, the **Shimoda Russia/NIS Investment Fund**, to invest in small Russian companies as well as companies in Romania and some former Soviet states.
- **Nestle SA**'s first-half sales rose 17.5 percent, to 33.5 billion Swiss francs ($22.58 billion), on favorable currency rates and stronger sales volume.

Bloomberg, Reuters

WORLD STOCK MARKETS

Thursday, July 17
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 953.37 Previous: 965.25

	High	Low	Close	Prev.
ABN-AMRO	46.60	44.20	44.50	46
Aegon	162	155.30	155.80	158.50
Ahold	191.50	183.20	183.70	185.90
Akzo Nobel	289	280	281.50	284.80
Baan Co.	169	158	159.20	161.70
Bols Wess cva	42.60	40.90	41.10	41.90
CSM cva	103.40	101.50	102	103
Dordtsche Pet	N.T.	N.T.	N.T.	426.90
DSM	234.30	220	221.10	230.80
Elsevier	37.50	36	36.40	36
Fortis Amev	99	94	94	97
Getronics	75	70	70.90	73.90
G-Broc cva	73.90	69.90	69.90	73
Hagemeyer	116.50	110.10	110.10	111.70
Heineken	333	326	326	328
Hoogovens cva	122.70	116.50	116.80	118.90
Hunt Douglas	N.T.	N.T.	N.T.	174
ING Group	103.60	100.10	101	103.10
KLM	71.30	69.90	70.10	70.60
KNP BT	47.50	45.50	46	45.90
KPN	86.30	84.60	85.10	85
Nedlloyd Gp	67.80	64.70	65.10	68
Nutricia	340	334.50	335.70	337
Oce Grinten	264	258	258	263.80
Philips Elec	162.50	157	157.10	157.80
Polygram	105.60	102.60	103	104.60
Randstad Hdg	229	225	225	226.90
Robeco	202	199.60	199.60	200
Rodamco	67.80	66.90	67.50	67.70
Rolinco	201.80	200.50	201	200.10
Rorento	117	117	117	117
Unilever cva	456.50	446.20	446.50	453.30
Vendex Intl	115.50	114.10	114.60	115
VNU	47.70	46.60	47	46.90
Wolters Kl cva	275	267.10	270	265

Bangkok
SET index: 656.28 Previous: 663.66

	High	Low	Close	Prev.
Adv Info Svc	268	254	256	252
Bangkok Bk F	260	242	244	246
Krung Thai Bk	38.25	34.50	34.75	36.50
PTT Explor	420	404	410	420
Siam Cement F	652	600	632	[illegible]
Siam Com Bk F	136	126	131	131
Telecomasia	42	38.75	39	40
Thai Airways	61	57.50	61	59
Thai Farm Bk F	156	148	150	152
Utd Comm	127	120	120	118

Bombay
Sensex 30 index: 4193.61 Previous: 4183.42

	High	Low	Close	Prev.
Bajaj Auto	868	827.50	865	832.75
Hindust Lever	1359	1335	1342.25	1344.25
Hindust Petm	487	483	486.25	487.25
Ind Dev Bk	97	95	96.75	94.75
ITC	512.50	496	510.25	505.25
Mahanagar Tel	287	280.50	283	286.50
Reliance Ind	351.75	347.25	350.75	349.50
State Bk India	332.50	328.25	336.50	330.50
Steel Authority	24.75	24	24.25	24.50
Tata Eng Loco	408.50	395	406.50	405

Brussels
BEL-20 index: 2541.40 Previous: 2531.11

	High	Low	Close	Prev.
Almanij	16400	16300	16375	16375
Barco Ind	7990	7850	7890	7930
BBL	9820	9650	9740	9710
CBR	3250	3185	3190	3230
Colruyt	19450	18900	19300	19100
Delhaize Lion	2020	1985	1985	1960
Electrabel	7770	7720	7720	7730
Electrafina	3640	3580	3640	3580
Fortis AG	8250	8110	8190	8150
Gevaert	3295	3250	3280	3290
GBL	6050	5950	6010	5980
Gen Banque	14975	14725	14750	14825
Kredietbank	15275	15025	15075	15050
Petrofina	13175	13675	13175	13850
Powerfin	5020	4945	5020	4940
Royale Belge	11100	10975	11000	10975
Soc Gen Belg	3570	3530	3545	3550
Solvay	21950	21550	21900	21550
Tractebel	15100	14875	15025	14875
UCB	153000	149900	150500	146300

Copenhagen
Stock Index: 656.29 Previous: 640.63

	High	Low	Close	Prev.
BG Bank	400	389	390	392
Carlsberg B	378	372	377	374
Codan Fors	985	979	955	980
Danisco	415	407	412	413
Den Danske Bk	774	754	767	750
D/S Svendborg B	432000	425000	426000	410000
D/S 1912 B	302000	285000	302000	235000
FLS Ind B	265	240	265	240
Kob Lufthavne	780	770	780	775
Nvo Nordisk B	801	777	800	778
Sophus Ber B	1010	999	1005	1000
Tele Danmk B	414	391	414	395
Tryg Baltica	431	411	426	419
Unidanmark A	445	436	444	439.44

Frankfurt
DAX: 4227.31 Previous: 4201.24

	High	Low	Close	Prev.
AMB B	1845	1800	1800	1840
Adidas	226	224.50	224.50	225.50
Allianz Hdg	457	438	451.50	438
Altana	180	177.50	178.50	180
Bk Berlin	38.55	38.30	38.45	38.55
BASF	72.20	70.80	70.85	72.55
Bayer Hypo Bk	58.60	57.60	57.78	57.70
Bay Vereinsbank	67.30	59.80	81.20	80.60
Bayer	76.95	75.80	76.30	75.60
Beiersdorf	93	91	91	92.50
Bewag	40.10	39.90	39.90	42.40
BMW	1542	1530	1539	1532
CKAG Colonia	205	200	202	196
Commerzbank	54.30	53	54.20	53.25
Daimler Benz	154.30	152.20	152.50	151.50
Degussa	97.50	96	96.20	94.90
Deutsche Bank	107.95	106.50	107.60	107.75
Deut Telekom	44.65	43.30	44.55	43.90
Dresdner Bank	74.30	73.30	74	74
Fresenius	362	357	362	356
Fresenius Med	157.50	153.50	154.50	150.20
Fried. Krupp	353.50	343	343.50	352
Gehe	122.50	120.50	122.50	121
Heidelbg Zmt	163	161.50	162	161
Henkel pfd	106	105.10	105.70	104.50
HEW	455	455	455	455
Hochtief	84	79	80	83
Hoechst	85.60	84	84.10	84.08
Karstadt	705	685	694	663
Lahmeyer	87	82.30	83	82.40
Linde	1342	1320	1320	1318
Lufthansa	35.80	34.90	34.95	35.10
MAN	553	546	548	552
Mannesmann	816	810	814.50	[illegible]
Metallgesellschaft	39.10	38.75	38.90	38.55
Metro	222	218	218.20	219.70
Munch Rueck R	6530	6390	[illegible]	[illegible]
Preussag	576	566	572.50	574.50
RWE	75.40	74.90	75	75
SAP pfd	434	422	422	429
Schering	203.80	201.10	202.20	202
SGL Carbon	252	246	252	253
Siemens	119	117.70	118.25	115.75
Springer (Axel)	1660	1663	1660	1660
Suedzucker	902	900	[illegible]	[illegible]
Thyssen	444	432	433.50	[illegible]
Veba	105.20	103.35	103.35	105.05
VEW	567	565	565	567
Viag	799.50	794.50	794.50	[illegible]
Volkswagen	1458.50	1441	1445	1475

Helsinki
HEX General index: 3530.93 Previous: 3499.60

	High	Low	Close	Prev.
Enso A	50	[illegible]	[illegible]	[illegible]
Huhtamaki I	[illegible]	[illegible]	[illegible]	[illegible]
Kemira	[illegible]	[illegible]	[illegible]	[illegible]
Kesko	[illegible]	[illegible]	[illegible]	[illegible]
Merita A	22.10	[illegible]	[illegible]	[illegible]
Metra B	[illegible]	[illegible]	[illegible]	[illegible]
Metsa-Serla B	45.50	[illegible]	[illegible]	[illegible]
Neste	[illegible]	[illegible]	[illegible]	[illegible]
Nokia A	[illegible]	[illegible]	[illegible]	[illegible]
Orion-Yhtymae	[illegible]	[illegible]	[illegible]	[illegible]
Outokumpu A	[illegible]	[illegible]	[illegible]	[illegible]
UPM-Kymmene	[illegible]	[illegible]	[illegible]	[illegible]
Valmet	[illegible]	[illegible]	[illegible]	[illegible]

Hong Kong
Hang Seng: 15706.29 Previous: 15446.52

	High	Low	Close	Prev.
Amoy Props	[illegible]	[illegible]	[illegible]	[illegible]
Bk East Asia	[illegible]	[illegible]	[illegible]	[illegible]
Cathay Pacific	[illegible]	[illegible]	[illegible]	[illegible]
Cheung Kong	[illegible]	[illegible]	[illegible]	[illegible]
CK Infrastruct	[illegible]	[illegible]	[illegible]	[illegible]
China Light	[illegible]	[illegible]	[illegible]	[illegible]
Citic Pacific	[illegible]	[illegible]	[illegible]	[illegible]
Dao Heng Bk	[illegible]	[illegible]	[illegible]	[illegible]
First Pacific	[illegible]	[illegible]	[illegible]	[illegible]
Hang Lung Dev	[illegible]	[illegible]	[illegible]	[illegible]
Hang Seng Bk	[illegible]	[illegible]	[illegible]	[illegible]
Henderson Inv	[illegible]	[illegible]	[illegible]	[illegible]
Henderson Ld	[illegible]	[illegible]	[illegible]	[illegible]
HK China Gas	[illegible]	[illegible]	[illegible]	[illegible]
HK Electric	[illegible]	[illegible]	[illegible]	[illegible]
HK Telecomm	[illegible]	[illegible]	[illegible]	[illegible]
Hopewell Hdgs	[illegible]	[illegible]	[illegible]	[illegible]
HSBC Hdgs	[illegible]	[illegible]	[illegible]	[illegible]
Hutchison Wh	[illegible]	[illegible]	[illegible]	[illegible]
Hysan Dev	[illegible]	[illegible]	[illegible]	[illegible]
Johnson El Hdg	[illegible]	[illegible]	[illegible]	[illegible]
Kerry Props	[illegible]	[illegible]	[illegible]	[illegible]
New World Dev	[illegible]	[illegible]	[illegible]	[illegible]
Oriental Press	[illegible]	[illegible]	[illegible]	[illegible]
Pearl Oriental	[illegible]	[illegible]	[illegible]	[illegible]
SHK Props	90.50	85.75	90	[illegible]
Shun Tak Hdgs	[illegible]	[illegible]	[illegible]	[illegible]
Sino Land Co	[illegible]	[illegible]	[illegible]	[illegible]
Sth China Post	[illegible]	[illegible]	[illegible]	[illegible]
Swire Pac A	[illegible]	[illegible]	[illegible]	[illegible]
Wharf Hdgs	[illegible]	[illegible]	[illegible]	[illegible]
Wheelock	17.95	[illegible]	[illegible]	[illegible]

Markets Closed

The Jakarta, Kuala Lumpur and Seoul stock markets were closed Thursday for a holiday.

Johannesburg
All Market: 7437.67 Previous: 7422.76

	High	Low	Close	Prev.
Amalgamatd Bks	[illegible]	[illegible]	[illegible]	[illegible]
AngloAm Coal	[illegible]	[illegible]	[illegible]	[illegible]
AngloAm Corp	[illegible]	[illegible]	[illegible]	[illegible]
AngloAm Gold	[illegible]	[illegible]	[illegible]	[illegible]
AngloAm Ind	[illegible]	[illegible]	[illegible]	[illegible]
AVMIN	[illegible]	[illegible]	[illegible]	[illegible]
Barlow	[illegible]	[illegible]	[illegible]	[illegible]
C.G. Smith	[illegible]	[illegible]	[illegible]	[illegible]
De Beers	[illegible]	[illegible]	[illegible]	[illegible]
Driefontein	[illegible]	[illegible]	[illegible]	[illegible]
Fst Natl Bk	[illegible]	[illegible]	[illegible]	[illegible]
Gencor	[illegible]	[illegible]	[illegible]	[illegible]
GFSA	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Hdgs	[illegible]	[illegible]	[illegible]	[illegible]
Ingwe Coal	[illegible]	[illegible]	[illegible]	[illegible]
Iscor	[illegible]	[illegible]	[illegible]	[illegible]
Johnnies Indl	[illegible]	[illegible]	[illegible]	[illegible]
Liberty Hdgs	397	385	380	380
Liberty Life	151	145.25	146	146
LibLife Strat	18	17.80	18	18
Minorco	99	98.25	99	99
Nampak	18.75	18.50	18.70	18.70
Nedcor	102.25	100.50	100.50	100.50
Rembrandt Gp	46	45.10	45.95	45.95
Richemont	71.25	70.25	70.50	70.50
Rust Platinum	75	74.75	75	75
SA Breweries	141.50	139.25	141.50	141.50
Samancor	42.35	41.75	41.75	41.75
Sasol	59	58.75	59.25	59.25
SBIC	222	218.25	218	218
Tiger Oats	79.25	78.50	79	79

London
FT-SE 100: 4949.00 Previous: 4964.20

	High	Low	Close	Prev.
Abbey Natl	9	8	8.90	8.74
Allied Domecq	4.59	4.47	4.47	4.57
Anglian Water	7.93	7.83	7.93	7.91
Argos	6.37	6.30	6.32	6.34
Asda Group	1.46	1.43	1.45	1.44
Assoc Br Foods	5.46	5.42	5.46	5.45
BAA	6.08	5.95	6.04	6
Barclays	13.12	12.83	13.07	12.83
Bass	8.67	8.42	8.43	8.60
BAT Ind	5.57	5.55	5.36	5.50
Bank Scotland	4.44	4.33	4.36	4.37
Blue Circle	4.30	4.23	4.29	4.27
BOC Group	11.02	10.83	10.88	10.95
Boots	8.18	8.10	8.14	8.15
BPB Ind	3.05	3.02	3.04	3.05
Brit Aerosp	13.45	13.34	13.34	13.40
Brit Airways	7.50	6.82	6.88	6.94
BG	2.47	2.41	2.47	2.43
Brit Land	6.59	6.36	6.40	6.55
Brit Petm	8.12	7.99	8.06	8.08
BSkyB	4.55	4.42	4.45	4.53
Brit Steel	1.61	1.49	1.59	1.49
Brit Telecom	4.73	4.30	4.41	4.46
BTR	2.03	1.98	2	1.99
Burmah Castrol	10.35	10.12	10.30	10.11
Burton Gp	1.35	1.32	1.33	1.34
Cable Wireless	6.22	5.93	6.11	5.95
Cadbury Schw	5.97	5.87	5.96	5.91
Carlton Comm	5.13	4.96	4.99	5.07
Coml Union	7.02	6.50	6.65	6.81
Compass Gp	6.30	6.18	6.78	6.28
Courtaulds	3.15	3.10	3.15	3.13
[illegible]	5.56	5.62	5.67	5.85
Electrocomponents	[illegible]	4.40	4.41	4.44
EMI Group	[illegible]	10.75	10.86	10.96
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HSBC Hldgs	21.85	21.05	21.05	20.72
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zeneca	22.66	21.43	21.45	22.65

Madrid
Bolsa index: 618.32 Previous: 625.52

	High	Low	Close	Prev.
Acerinox	28250	27600	27790	28150
ACESA	1885	1840	1845	1860
Aguas Barcelon	6150	6060	6110	6050
Argentaria	9410	9070	9100	9380
BBV	13500	13040	13160	13340
Banesto	1490	1470	1470	1480
Bankinter	27340	26600	26600	27000
Bco Centro Hisp	6280	6140	6150	6100
Bco Popular	36200	35020	35370	35780
Bco Santander	4680	4505	4520	4650
CEPSA	4960	4900	4930	4950
Continente	3590	3500	3550	3450
Corp Mapfre	9550	9200	9240	9470
Endesa	12740	12430	12430	12660
FECSA	1290	1250	1250	1260
Gas Natural	32290	31650	31650	31800
Iberdrola	1820	1765	1770	1805
Pryca	3350	3260	3320	3275
Repsol	6650	6450	6510	6570
Sevillana Elec	1505	1475	1475	1500
Tabacalera	8400	8080	8100	8070
Telefonica	4470	4300	4315	4435
Union Fenosa	1270	1230	1245	1260
Valenc Cement	2585	2530	2560	2560

Manila
PSE index: 2620.38 Previous: 2587.34

	High	Low	Close	Prev.
Ayala B	17.75	17.50	17.75	17.50
Ayala Land	22.50	22.25	22.50	22
Bk Philip Isl	155	151	153	153
C&P Homes	9.50	8.90	9	8.90
Manila Elec A	83.50	82	82	82.50
Metro Bank	555	545	550	545
Petron	6	5.80	5.90	5.70
PCIBank	238	230	230	240
Phil Long Dist	960	945	950	935
San Miguel B	60	58.50	59.50	57
SM Prime Hdg	7	6.90	7	6.90

Mexico
Bolsa index: 4865.16 Previous: 4787.43

	High	Low	Close	Prev.
Alfa A	57.50	56.40	57.30	56.10
Banacci B	20.80	19.82	20.80	19.78
Cemex CPO	39.40	38.65	39.10	38.75
Cifra C	13.94	13.60	13.90	13.68
Emp Modema	47.60	47.40	47.55	47.60
Gpo Carso A1	56.80	55.60	56.80	55.70
Gpo F Bcomer	2.62	2.55	2.60	2.52
Gpo Fin Inburso	36.60	36.00	36.55	36.00
Kimb Clark Mex	36.10	35.90	35.90	36.10
Televisa CPO	116.10	115.00	115.00	117.20
TelMex L	21.00	20.55	20.95	20.65

Milan
MIB Telematico: 14825.00 Previous: 14381.00

	High	Low	Close	Prev.
Alleanza Assic	16930	16500	16870	16005
Bca Comm Ital	4545	4390	4500	4510
Bca Fideuram	5985	5770	5775	5775
Bca di Roma	1569	1465	1499	1495
Benetton	27800	27000	27150	27150
Credito Italiano	3535	3370	3450	3500
Edison	9030	8720	8920	8550
ENI	10450	10200	10290	10270
Fiat	6980	6815	6845	6675
Generali Assic	38550	36400	37600	35800
IMI	16450	16050	16450	15720
INA	2875	2710	2775	2680
Italgas	5640	5410	5640	5340
Mediaset	7690	7595	7635	7520
Mediobanca	13100	12190	13100	11935
Montedison	1220	1171	1206	1145
Olivetti	495	470	477	465
Parmalat	2550	2475	2485	2440
Pirelli	4800	4660	4740	4725
RAS	15745	15300	15560	15170
Rolo Banca	23000	21150	21150	21650
S Paolo Torino	14600	14210	14500	14295
Stet	11800	11215	11750	11070
Telecom Italia	6700	6205	6700	6100
TIM	5890	5710	5825	5645

Montreal
Industrials index: 3687.59 Previous: 3723.36

	High	Low	Close	Prev.
Bce Mob Com	45½	45¼	45¼	45
Cdn Tire A	28.35	28.05	28.35	28.40
Cdn Util A	39¼	38.80	39¼	38.65
CT Finl Svc	42	40½	42	40
Gaz Metro	18.70	18.60	18.60	18.70
Gt-West Lifeco	33	33	33	33
Imasco	41¼	41.60	41½	41.85
Investors Grp	32.20	32.20	32.20	31¼
Loblaw Cos	20¼	20¼	20¼	20.85
Natl Bk Canada	18.20	17.95	18	18.15
Power Corp	38	37.40	37.40	38.10
Power Finl	34¼	34.20	34¼	34¼
Quebecor B	27.90	27¼	27.90	27.70
Rogers Comm B	10¼	10¼	10¼	10.30
Royal Bk Cda	68.15	67.60	67.90	67.45

Oslo
OBX index: 488.48 Previous: 491.37

	High	Low	Close	Prev.
Aker A	153	151	153	154
Bergesen Dy A	195	190	191	190
Christiania Bk	26.10	25.90	26.10	26
Den norske Bk	30.40	30.20	30.40	30.30
Elkem	150	147	147.50	150
Hafslund A	46.50	46	46.50	46
Kvaerner Asa	451	444	444	449
Norsk Hydro	418	407	407	414
Norske Skog A	284	274	284	276
Nycomed A	139	137	139	136
Orkla Asa A	573	567.50	570	570
Petm GeoSvc	390	373	373	385.50
Saga Petlm A	147.50	146	146.50	145
Schibsted	146.50	146	146	146.50
Transocean Off	608	600	608	587
Storebrand Asa	48	47.80	48	48.30

Paris
CAC-40: 2958.59 Previous: 2988.01

	High	Low	Close	Prev.
Accor	957	944	946	948
AGF	209.50	205.80	208	205.30
Air Liquide	975	950	953	975
Alcatel Alsth	775	746	750	762
AXA-UAP	389	385.10	385.70	384.60
Bancaire	737	724	726	723
BIC	978	966	970	947
BNP	261.20	254	256.10	258.30
Canal Plus	1174	1135	1135	1165
Carrefour	4415	4223	4230	4373
Casino	300	287.10	294.80	297
CCF	261	255.60	259.50	258.50
Cetelem	710	699	702	703
Christian Dior	1035	1015	1029	1030
CLF-Dexia Fran	580	568	572	577
Credit Agricole	1256.10	1256.10	1256.10	1252
Danone	1000	978	979	999
Elf-Aquitaine	694	675	683	674
Eridania BS	889	857	857	870
Eurodisney	8.40	8.20	8.25	8.40
Eurotunnel	6.90	6.60	6.90	6.60
Gen. Eaux	776	760	760	755
Havas	417	404.20	404.20	421
Imetal	798	773	780	793
Lafarge	394	380	381	391.70
Legrand	1183	1133	1145	1170
L'Oreal	2574	2479	2492	2553
LVMH	1648	1606	1614	1628
Suez Lyon Eaux	716	698	700	700
Michelin B	388	382.10	384.80	385.60
Paribas A	409	400.40	403	408
Pernod Ricard	313.50	307.20	307.20	308.30
Peugeot Cit	613	586	602	608
Pinault-Prmt	2920	2825	2858	2900
Promodes	2700	2560	2581	2699
Renault	153	148.30	148.80	151.80
Rexel	1758	1730	1746	1750
Rh-Poulenc A	260	257.70	258.30	258.20
Sanofi	565	554	556	560
Schneider	345.20	334.30	335	342.50
SEB	1067	1047	1047	1054
SGS Thomson	565	536	537	561
Ste Generale	743	710	725	708
Sodexho	3160	3095	3105	3098
St Gobain	900	871	871	899
Suez	17.50	17	17.15	17
Synthelabo	781	776	776	770
Thomson CSF	170	167.30	168.10	161.60
Total B	601	587	592	595
Usinor	116.40	114.20	114.50	114.60
Valeo	408.90	399.30	399.50	412.10

São Paulo
Bovespa index: 12490.00 Previous: 12640.90

	High	Low	Close	Prev.
Bradesco Pfd	11.00	10.55	10.70	10.70
Brahma Pfd	855.00	845.00	845.00	850.00
Cemig Pfd	59.50	56.90	57.79	58.97
CESP Pfd	75.20	73.60	74.80	73.80
Copel	21.01	20.80	21.01	21.00
Eletrobras	608.00	563.01	573.00	594.00
Itaubanco Pfd	625.00	605.00	605.00	625.00
Light Servicios	560.00	555.00	555.00	575.00
Lightpar	460.00	440.07	444.00	460.00
Petrobras Pfd	322.01	308.00	321.01	300.00
Paulista Luz	189.01	184.00	189.00	184.02
Sid Nacional	36.00	35.50	35.99	36.50
Souza Cruz	9.85	9.70	9.85	9.66
Telebras Pfd	163.50	156.00	156.00	155.00
Telemig	182.00	180.00	182.00	181.00
Telerj	172.99	158.00	165.00	172.99
Telesp Pfd	375.00	363.00	377.00	374.00
Unibanco	42.00	42.00	42.00	42.50
Usiminas Pfd	12.84	12.55	12.60	12.79
CVRD Pfd	28.50	27.30	28.20	28.10

Singapore
Straits Times: 1920.54 Previous: 1917.89

	High	Low	Close	Prev.
Asia Pac Brew	5.50	5.50	5.50	5.50
Cerebos Pac	6.05	5.85	5.95	6
City Devlts	13.40	13	13.40	12.90
Cycle Carriage	12.70	12.40	12.50	12.60
Dairy Farm Intl*	0.81	0.80	0.80	0.80
DBS foreign	19.40	18.90	19	18.80
DBS Land	4.62	4.56	4.60	4.60
Fraser & Neave	9.85	9.75	9.80	9.75
HK Land*	2.61	2.59	2.61	2.60
Jard Matheson*	7.15	7	7.10	7.10
Jard Strategic*	3.62	3.54	3.60	3.56
Keppel Bank	3.68	3.64	3.68	3.64
Keppel Fels	4.90	4.88	4.90	4.90
Keppel Land	4.02	3.98	4	4.07
OCBC foreign	14.90	14.70	14.80	14.80
OS Union Bk F	9.70	9.45	9.70	9.40
Parkway Hdgs	6.45	6.40	6.40	6.35
Sembawang	6.80	6.60	6.60	6.85
Sing Air foreign	13.10	12.90	13.10	12.80
Sing Land	6.95	6.80	6.95	6.90
Sing Press F	28	27.60	28	28
Sing Tech Ind	3.70	3.64	3.64	3.66
Sing Telecomm	2.62	2.57	2.60	2.57
Tai Lee Bank	2.92	2.79	2.79	2.78
Utd Industrial	1.07	1.04	1.06	1.05
Utd OSea Bk F	15.70	15.10	15.20	15.20
Wing Tai Hdgs	4.10	3.98	4.04	4

*: In U.S. dollars.

Stockholm
SX 16 index: 3515.96 Previous: 3559.30

	High	Low	Close	Prev.
AGA B	111	106.50	106.50	109
ABB A	112	110	111	111
AssiDoman	242	240	242	240
Astra A	160	146.50	151	157
Atlas Copco A	246	237.50	242	237.50
Autoliv	295	291	291.50	291
Electrolux B	670	651	651	658
Ericsson B	349	338	339	340.50
Hennes B	346	331	337.50	337
Incentive A	698	685	685	698
Investor B	431	419	421	427
MoDo B	278.50	268.50	273	268.50
Nordbanken	268	260	260	266.50
Pharm Upjohn	297.50	285	294.50	290.50
Sandvik B	251.50	248.50	[illegible]	250.50
Scania B	237	234	235.50	235.50
SCA B	174	172	172.50	171
S-E Banken A	92.50	91.50	92	91
Skandia Fors	339	325	325	337
Skanska B	357	350	356.50	353.50
SKF B	220	216	218	216
Sparbanken A	180.50	174	174	180
Stora A	133	129.50	132.50	130.50
Sv Handles A	255	252.50	252.50	252.50
Volvo B	214.50	210	210	212

Sydney
All Ordinaries: 2649.70 Previous: 2644.40

	High	Low	Close	Prev.
Amcor	8.56	8.49	8.54	8.46
ANZ Bkng	10.11	9.84	9.95	9.78
BHP	18.61	18.27	18.46	18.19
Boral	4.08	4	4	4.02
Brambles Ind	26.85	26.36	26.40	26.25
CBA	16.56	16.35	16.48	16.33
CC Amatil	15.15	14.80	15.05	14.70
Coles Myer	6.80	6.70	6.74	6.70
Comalco	6.85	6.75	6.75	6.73
CSR	4.93	4.83	4.91	4.83
Fosters Brew	2.59	2.56	2.56	2.57
Goodman Fld	1.89	1.82	1.88	1.82
ICI Australia	12.68	12.55	12.68	12.55
Lend Lease	28.25	27.82	28.25	27.70
MIM Hdgs	1.81	1.78	1.80	1.78
Nat Aust Bank	19.45	19.15	19.26	19.12
Nat Mutual Hdg	2.15	2.08	2.08	2.07
News Corp	6.34	6.23	6.34	6.24
Pacific Dunlop	3.69	3.63	3.65	3.66
Pioneer Intl	4.95	4.79	4.95	4.77
Pub Broadcast	8.05	7.90	8.04	7.90
Rio Tinto	21.85	21.55	21.56	21.61
St George Bank	8.57	8.44	8.48	8.43
WMC	7.76	7.62	7.66	7.72
Westpac Bkng	8.02	7.83	7.88	7.80
Woodside Pet	11.30	11.16	11.21	11.30
Woolworths	4.22	4.12	4.14	4.11

Taipei
Stock Market index: 9571.80 Previous: 9544.56

	High	Low	Close	Prev.
Cathay Life Ins	153	145	149	147.50
Chang Hwa Bk	121.50	114	120	114
Chiao Tung Bk	86	81	83	82
China Develpmt	190	173	173	185
China Steel	30	29.55	30	28.90
First Bank	123	114.50	122	115
Formosa Plastic	67	[illegible]	67	63
Hua Nan Bk	122	115	122	115
Intl Comm Bk	64	61.50	65.50	62.50
Nan Ya Plastics	73.50	69.50	72.50	69
Shin Kong Life	120	115	115	115.50
Taiwan Semi	159	148.50	148.50	146
Tatung	50	48	47.60	47
Utd Micro Elec	175	157	157	148
Utd World Chin	64	61	63	61.50

Tokyo
Nikkei 225: 20519.25 Previous: 20358.74

	High	Low	Close	Prev.
Ajinomoto	1180	1160	1160	1146
All Nippon Air	750	732	741	747
Amway	3650	3550	3590	3550
Asahi Bank	935	897	897	[illegible]
Asahi Chem	649	625	630	653
Asahi Glass	1070	1050	1095	[illegible]
Bk Tokyo Mitsu	2300	2270	2290	[illegible]
Bk Yokohama	625	613	619	621
Bridgestone	2930	2860	2920	2920
Canon	3480	3410	3450	3330
Chubu Elec	2050	2015	2030	2040
Chugoku Elec	2010	1995	2000	1970
Dai Nipp Print	2610	2590	2630	2570
Daiei	775	766	773	773
Dai-Ichi Kang	1550	1510	1530	1500
Daiwa Bank	618	599	603	590
Daiwa House	1350	1320	1320	1340
Daiwa Sec	908	892	905	852
DDI	8620a	8240a	8280a	8590a
Denso	2940	2840	2930	2830
East Japan Ry	5790a	5650a	5700a	5740a
Eisai	2650	2620	2620	2600
Fanuc	4740	4600	4700	4540
Fuji Bank	1670	1640	1670	1610
Fuji Photo	5070	4950	4980	4920
Fujitsu	1740	1700	1710	1690
Hachijuni Bk	1160	1110	1120	1140
Hitachi	1360	1320	1340	1340
Honda Motor	3720	3650	3700	3640
IBJ	1850	1800	1830	1800
IHI	442	436	444	430
Itochu	577	567	570	572
Ito-Yokado	7040	6960	6970	7010
JAL	545	532	532	539
Japan Tobacco	8880a	8750a	8780a	8370a
Jusco	3500	3370	3450	3470
Kajima	617	605	616	609
Kansai Elec	2200	2170	2180	2160
Kao	1670	1640	1650	1670
Kawasaki Hvy	540	520	528	537
Kawa Steel	345	334	338	342
Kinki Nipp Ry	685	675	678	673
Kirin Brewery	1190	1140	1170	1160
Kobe Steel	201	198	200	200
Komatsu	883	856	875	885
Kubota	529	515	521	529
Kyocera	9740	9460	9570	9650
Kyushu Elec	1990	1970	1970	1990
LTCB	587	565	575	[illegible]
Marubeni	510	[illegible]	508	[illegible]
Marui	2090	2020	2080	2056
Matsu Comm	4880	4720	4820	4600
Matsu Elec Ind	2450	2380	2400	2390
Matsu Elec Wk	1330	1310	1320	1320
Mitsubishi	1350	1282	1300	1330
Mitsubishi Ch	356	335	337	351
Mitsubishi El	688	662	672	678
Mitsubishi Est	1640	1630	[illegible]	[illegible]
Mitsubishi Hvy	844	829	[illegible]	[illegible]
Mitsubishi Mat	817	[illegible]	[illegible]	[illegible]
Mitsubishi Tr	1830	1780	1800	1730
Mitsui	1110	1080	1090	1090
Mitsui Fudosan	1540	1510	1530	1530
Mitsui Trust	820	809	820	[illegible]
Murata Mfg	4870	4820	4870	[illegible]
NEC	1680	1650	1670	1650
Nikon	2030	1970	1990	[illegible]
Nikko Sec	[illegible]	705	[illegible]	[illegible]
Nintendo	11400	11000	11000	10700
Nipp Express	855	828	834	859
Nippon Oil	570	565	568	565
Nippon Steel	345	331	331	344
Nissan Motor	850	840	852	851
NKK	220	215	215	217
Nomura Sec	1540	1500	1540	1490
NTT	1180b	1150b	1172b	1172b
NTT Data	5050b	4900b	4930b	[illegible]
Oji Paper	632	622	625	625
Osaka Gas	[illegible]	[illegible]	[illegible]	[illegible]
Ricoh	1670	1610	1630	1650
Rohm	13300	13100	13100	[illegible]
Sakura Bk	874	843	[illegible]	[illegible]
Sankyo	4310	4180	4220	4250
Sanwa Bank	1690	1650	1660	1650
Sanyo Elec	524	515	515	515
Secom	[illegible]	[illegible]	[illegible]	[illegible]
Seibu Rwy	[illegible]	5660	5660	[illegible]
Sekisui Chem	[illegible]	[illegible]	[illegible]	[illegible]
Sekisui House	[illegible]	[illegible]	[illegible]	[illegible]
Seven-Eleven	[illegible]	[illegible]	[illegible]	[illegible]
Sharp	[illegible]	[illegible]	[illegible]	[illegible]
Shikoku El Pwr	[illegible]	[illegible]	[illegible]	[illegible]
Shimizu	[illegible]	[illegible]	[illegible]	[illegible]
Shin-etsu Ch	[illegible]	[illegible]	[illegible]	[illegible]
Shiseido	[illegible]	[illegible]	[illegible]	[illegible]
Shizuoka Bk	[illegible]	[illegible]	[illegible]	[illegible]
Softbank	[illegible]	[illegible]	[illegible]	[illegible]
Sony	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Bk	[illegible]	[illegible]	[illegible]	[illegible]
Sumit Chem	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Elec	[illegible]	[illegible]	[illegible]	[illegible]
Sumit Metal	[illegible]	[illegible]	[illegible]	[illegible]
Sumit Trust	[illegible]	[illegible]	[illegible]	[illegible]
Taisho Pharm	[illegible]	[illegible]	[illegible]	[illegible]
Takeda Chem	[illegible]	[illegible]	[illegible]	[illegible]
TDK	[illegible]	[illegible]	[illegible]	[illegible]
Tohoku El Pwr	[illegible]	[illegible]	[illegible]	[illegible]
Tokai Bank	[illegible]	[illegible]	[illegible]	[illegible]
Tokio Marine	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo El Pwr	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Electron	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Gas	[illegible]	[illegible]	[illegible]	[illegible]
Tokyu Corp.	[illegible]	[illegible]	[illegible]	[illegible]
Tonen	[illegible]	[illegible]	[illegible]	[illegible]
Toppan Print	[illegible]	[illegible]	[illegible]	[illegible]
Toray Ind	[illegible]	[illegible]	[illegible]	[illegible]
Toshiba	[illegible]	[illegible]	[illegible]	[illegible]
Tostem	[illegible]	[illegible]	[illegible]	[illegible]
Toyo Trust	[illegible]	[illegible]	[illegible]	[illegible]
Toyota Motor	[illegible]	[illegible]	[illegible]	[illegible]
Yamanouchi	[illegible]	[illegible]	[illegible]	[illegible]

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6756.24 Previous: 6744.81

	High	Low	Close	Prev.
Abitibi Cons	[illegible]	[illegible]	[illegible]	[illegible]
Alberta Energy	[illegible]	[illegible]	[illegible]	[illegible]
Alcan Alum	[illegible]	[illegible]	[illegible]	[illegible]
Anderson Expl	[illegible]	[illegible]	[illegible]	[illegible]
Bk Montreal	[illegible]	[illegible]	[illegible]	[illegible]
Bk Nova Scotia	[illegible]	[illegible]	[illegible]	[illegible]
Barrick Gold	[illegible]	[illegible]	[illegible]	[illegible]
BCE	[illegible]	[illegible]	[illegible]	[illegible]
BC Telecomm	[illegible]	[illegible]	[illegible]	34
Biochem Pharm	[illegible]	[illegible]	[illegible]	[illegible]
Bombardier B	[illegible]	[illegible]	[illegible]	[illegible]
Brascan A	[illegible]	[illegible]	[illegible]	[illegible]
Cameco	[illegible]	[illegible]	[illegible]	[illegible]
CIBC	[illegible]	[illegible]	[illegible]	[illegible]
Cdn Natl Rail	[illegible]	[illegible]	[illegible]	[illegible]
Cdn Nat Res	[illegible]	[illegible]	[illegible]	[illegible]
Cdn Occid Pet	[illegible]	[illegible]	[illegible]	[illegible]
Cdn Pacific	[illegible]	[illegible]	[illegible]	[illegible]
Cominco	[illegible]	[illegible]	[illegible]	[illegible]
Dofasco	[illegible]	[illegible]	[illegible]	[illegible]
Domtar	[illegible]	[illegible]	[illegible]	[illegible]
Donohue A	[illegible]	[illegible]	[illegible]	[illegible]
Du Pont Cda A	[illegible]	[illegible]	[illegible]	[illegible]
Edper Group	[illegible]	[illegible]	[illegible]	[illegible]
Euro Nev Mng	[illegible]	[illegible]	[illegible]	[illegible]
Fairfax Finl	[illegible]	[illegible]	[illegible]	[illegible]
Falconbridge	[illegible]	[illegible]	[illegible]	[illegible]
Fletcher Chall A	[illegible]	[illegible]	[illegible]	[illegible]
Franco Nevada	[illegible]	[illegible]	[illegible]	[illegible]
Gulf Cda Res	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Oil	[illegible]	[illegible]	[illegible]	[illegible]
Inco	[illegible]	[illegible]	[illegible]	[illegible]
IPL Energy	[illegible]	[illegible]	[illegible]	[illegible]
Laidlaw B	[illegible]	[illegible]	[illegible]	[illegible]
Loewen Group	[illegible]	[illegible]	[illegible]	[illegible]
Magna Intl A	[illegible]	[illegible]	[illegible]	[illegible]
Methanex	[illegible]	[illegible]	[illegible]	[illegible]
Moore	[illegible]	[illegible]	[illegible]	[illegible]
Newbridge Net	[illegible]	[illegible]	[illegible]	[illegible]
Noranda Inc	[illegible]	[illegible]	[illegible]	[illegible]
Norcen Energy	[illegible]	[illegible]	[illegible]	[illegible]
Nthern Telecom	145.65	143½	143¾	146.60
Nova	12.35	12.20	12.20	12.35
Onex	29.95	29.05	29.95	29.05
Pancdn Petlm	28	27.90	27.90	27.95
Petro Cda	23.60	23.10	23.30	23.20
Placer Dome	22.60	21.60	22.10	21½
Poco Petlm	13	12.90	13	12.85
Potash Sask	111¼	110	111	110.65
Renaissance	36.10	35.60	35.80	36
Rio Algom	35½	35	35	35.15
Rogers Cantel B	25.85	25.85	25.85	25.70
Seagram Co	55	54.20	54.20	55
Shell Cda A	21.65	21.10	21.30	21¼
Suncor	35.55	35	35¼	35¼
Talisman Eny	43.40	42.35	43.40	42.95
Teck B	28	27½	27.65	28
Teleglobe	51.80	51.55	51¼	51¼
Telus	26.10	26.05	26.05	26.15
Thomson	34.10	33.95	34.10	34.05
TorDom Bank	44.35	43.85	44.20	43½
Transalta	16.85	16.65	16¾	16.80
TransCda Pipe	28.15	27.60	28	27.80
Trimark Finl	65.60	63	65.60	63.40
Trizec Hahn	29.95	29.85	29.95	29.95
TVX Gold	6½	6	6.45	6.05
Westcoast Eny	26.80	26.55	26.80	26¾
Weston	94	93½	93½	94

Vienna
ATX index: 1429.29 Previous: 1406.34

	High	Low	Close	Prev.
Boehler Uddeh	1051.30	1044	1046.50	1030
Creditanst Pfd	536.80	531	534.50	534
EA-Generali	3510	3459	3480	3480
EVN	1645	1623.20	1639	1611
Flughafen Wien	539	535.65	537	530.40
OMV	1685	1632	1683	1637
Oest Elektriz	871.90	865.50	869	864.90
VA Stahl	635	626	635	612
VA Tech	2609.45	2571	2596	2541
Wienerberg Bau	2648	2631	2644	2625

Wellington
NZSE-40 index: 2494.66 Previous: 2477.49

	High	Low	Close	Prev.
Air NZealand B	4.60	4.58	4.60	4.58
Brierley Invt	1.38	1.36	1.37	1.36
Carter Holt	3.71	3.60	3.70	3.60
Fletch Ch Bldg	4.36	4.31	4.35	4.30
Fletch Ch Eny	4.83	4.80	4.83	4.75
Fletch Ch Forst	2.00	1.97	1.98	1.99
Fletch Ch Paper	3.45	3.41	3.44	3.40
Lion Nathan	3.83	3.80	3.80	3.84
Telecom NZ	7.67	7.50	7.66	7.64
Wilson Horton	11.70	11.70	11.70	11.70

Zurich
SPI index: 3704.95 Previous: 3730.31

	High	Low	Close	Prev.
ABB B	2300	2258	2270	2270
Adecco B	575	566	572	569
Alusuisse R	1448	1391	1410	1447
Ares-Serono B	2295	2275	2275	2290
[illegible]	860	865	880	850
Baer Hdg B	2348	2335	2335	2340
Baloise Hdg R	3560	3500	3530	3550
BK Vision	1255	1240	1240	1253
Ciba Spec Chem	141	137	137.75	140
Clariant R	1001	980	985	984
Cd Suisse Gp R	207.50	204.75	205.50	206
Electrowatt B	541	539	541	540
Ems-Chemie	6790	6660	6710	6775
ESEC Hdg	4830	4750	4800	4805
Holderbank B	1405	1375	1382	1398
Liechtenst LB B	615	606	610	600
Nestle R	1975	1915	1927	1969
Novartis R	2458	2414	2470	2441
Oerlik Buehr R	164.75	161	161	163.75
Pargesa Hld B	2010	2000	2010	2000
Pharm Vision B	910	896	899	902
Richemont A	2325	2300	2300	2295
Pirelli PC	315	301	305	301
Roche Hdg PC	14915	14615	14615	14810
SBC R	425	413	413.50	418
Schindler PC	1845	1815	1836	1818
SGS B	3200	3145	3160	3165
SMH B	848	845	849	852
Sulzer R	1225	1211	1215	1217
Swiss Reinsur R	2201	2130	2156	2180
Swissair R	1900	1862	1872	1860
UBS B	1706	1690	1699	1700
Winterthur R	1468	1445	1460	1468
Zurich Assur R	607	592	595	600

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	181.76	+3.67	+2.06	+21.87
Regional Indexes				
Asia/Pacific	132.10	+2.39	+1.84	+7.02
Europe	190.50	+3.00	+1.60	+18.18
N. America	212.41	+4.10	+1.97	+31.19
S. America	173.59	+9.34	+5.69	+51.70
Industrial Indexes				
Capital goods	236.55	+7.89	+3.45	+38.40
Consumer goods	202.87	+1.94	+0.97	+25.67
Energy	199.53	+6.27	+3.24	+16.88
Finance	137.29	+2.73	+2.03	+17.89
Miscellaneous	181.39	+3.05	+1.71	+12.12
Raw Materials	193.33	+3.81	+2.01	+10.23
Service	169.98	+3.59	+2.16	+23.78
Utilities	173.11	+3.23	+1.90	+20.67

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — Compiled by Bloomberg News

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صكذا من الاصل

Rise in Japan's Surplus Slows

Compiled by Our Staff From Dispatches

TOKYO — Japan's trade surplus widened by 934.21 billion yen ($8.08 billion) last month, the Finance Ministry said Thursday — a 27.7 percent rise from a year earlier but a much smaller increase than analysts were expecting.

The trade figures sent the dollar higher against the yen in Tokyo trading as worries about renewed U.S.-Japanese trade tensions faded.

The effects of a weak yen also spilled over to the Tokyo Stock Exchange, lifting stock prices in the wake of a record-breaking run on Wall Street as investors went after export-led blue chips such as autos and electricals.

The latest figures marked the third consecutive monthly rise in Japan's surplus in merchandise trade. But the increase from the 1996 month fell far short of the leaps of 222 percent posted in May and 164 percent in April.

Total exports in June rose 12.5 percent from a year earlier, to 4.12 trillion yen, amid strong demand for autos, office equipment and chemicals. Imports rose 8.7 percent, to 3.12 trillion yen.

The ministry continued to blame slower import growth largely on an increase in the consumption tax from 3 percent to 5 percent on April 1.

Analysts said the slower rise in the overall surplus was a good sign amid concerns that Japan's trade surpluses might be ready to balloon again, renewing friction with Washington.

The trade surplus with the United States, Japan's biggest trading partner, widened 26.8 percent, to 373.14 billion yen, its ninth consecutive monthly rise.

The surplus with the European Union surged 101.1 percent, to 187.5 billion yen. Exports to EU countries swelled 15.8 percent, to 625.7 billion yen, while imports fell 1.9 percent, to 438.3 billion yen.

For the first half of the year, Japan's overall surplus grew 28.4 percent, to 3.98 trillion yen, the first half-year rise since 1993.

The dollar rallied above the 116-yen level shortly after the release of the trade figures and closed in Tokyo at 116.35 yen, up from 115.62 yen Wednesday.

The Nikkei 225-stock index rose 160.51 points to close at 20,519.25.

(AP, AFP)

■ Japan Car Firms Under Fire

The head of a U.S. auto-industry trade group accused Japan of failing to live up to its promises to open up its car market, The Associated Press reported.

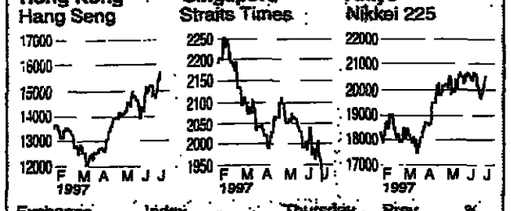
"U.S.-Japan automotive trade patterns are sharply deteriorating," the president of the American Automobile Manufacturers Association, Andrew Card, said.

In the first half of this year, sales of motor vehicles in Japan by the Big Three U.S. automakers — General Motors Corp., Ford Motor Co. and Chrysler Corp. — were down 13.6 percent from a year earlier, to 52,559 vehicles, according to the group's figures.

Reuters/The Associated Press

Currency dealers in Tokyo transmitting their orders Thursday.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	15,706.29	15,446.02	+1.69
Singapore	Straits Times	1,920.54	1,917.88	+0.14
Sydney	All Ordinaries	2,669.76	2,648.40	+0.88
Tokyo	Nikkei 225	20,519.25	20,358.74	+0.79
Kuala Lumpur	Composite	Closed	1,004.09	-
Bangkok	SET	656.28	663.66	-1.11
Seoul	Composite Index	Closed	738.72	-
Taipei	Stock Market Index	9,571.86	9,544.56	+0.29
Manila	PSE	2,620.38	2,587.36	+1.28
Jakarta	Composite Index	Closed	723.50	-
Wellington	NZSE-40	2,494.66	2,477.49	+0.69
Bombay	Sensitive Index	N.A.	4,183.42	-

Source: Telekurs International Herald Tribune

Nomura's Scandals Depress Profit as Revenue Drops

Compiled by Our Staff From Dispatches

TOKYO — Nomura Securities Co. on Thursday reported a sharp drop in revenue in the three months to June as clients kept Japan's leading brokerage house at arm's length over a payoff scandal.

Nomura reported a nearly 13 percent decline in revenue to 109.4 billion yen ($946.4 million). Its parent pretax profit fell 4.1 percent from a year earlier to 34.9 billion yen. Nomura attributed the decline to fallout from the arrest of a former president, Hideo Sakamaki, and other top executives for illegal dealings with a corporate extortionist.

Meanwhile, Daiwa Securities Co. said its parent pretax profit fell 39 percent from a year earlier, to 15.3 billion yen, in the three months to June. Nikko Securities Co. posted a pretax loss of 1.9 billion yen in the quarter, in contrast to last year's 19.2 billion yen profit. Yamaichi Securities Co. will report first-quarter results Friday.

(AFP, Bloomberg)

Korean Banks' Losing Half

Agence France-Presse

SEOUL — South Korean commercial banks had an overall net loss of $87.4 million in the first half of this year, reflecting their high level of nonperforming loans caused by corporate bankruptcies, bank regulators said Thursday.

Korea First Bank, the main creditor of the failed Hanbo and Sammi groups, was the poorest performer, with a $400 million loss, the Bank Supervisory Board said. The second-biggest loss was posted by Seoul Bank, with $147 million, much of it attributed to loan losses since January, when Hanbo, the country's 14th-largest conglomerate, collapsed under $5.8 billion of bad debt.

Ten of South Korea's 25 commercial banks had losses in the first half, the agency said, outweighing the 15 who had profits totaling $553 million.

Very briefly:

• **The Philippines'** trade gap contracted for the third month in a row in May, easing concern that mounting imports will leave the peso vulnerable to more speculative attacks. The trade deficit narrowed 11.5 percent, to $973 million, as exports of the country's biggest dollar-earner, electronics, soared and import growth slowed.

• **The Reserve Bank of Australia's** governor, Ian Macfarlane, released a rare public statement in trying to defend Hugh Morgan, a bank board member and managing director of the gold-mining company WMC Ltd., denying there was any conflict of interest between Mr. Morgan's role in the bank's recent bullion sales and his position as a gold-industry executive.

• **Australis Media**, an Australian pay-television broadcaster, saw trading in its shares suspended on the Australian Stock Exchange on Thursday amid rumors that the unprofitable company was set to be absorbed by rival **Foxtel**, which is half-owned by **News Corp.**

• **Sinclair Broadcast Group Inc.** will buy the radio and television stations of **Heritage Media Group** for $630 million once the merger between Heritage and News Corp. is completed, News Corp. said.

• Shares in **Asia Food & Properties Ltd.**, a unit of Indonesia's **Sinar Mas Group** that stepped in to acquire the assets of Singapore's **Amcol Holdings Ltd.** when that company collapsed a year ago, were scheduled to begin trading in Singapore on Friday. The decision to list in Singapore was seen as part of a trend for Indonesian assets to move to that exchange, where the new company will be among the largest companies traded.

• **Indonesia's** major lenders agreed at their annual meeting to extend $5.3 billion in loans next year to the country, more than the $5.2 billion it had requested. Indonesia relies on low-interest loans from developed countries to help pay for large infrastructure projects and now has about $100 billion of public and private foreign debt.

• **China-Hongkong Photo Products Holdings Ltd.**, the sole distributor of Fuji brand film products in Hong Kong and China, said net profit fell 16 percent, to 204 million Hong Kong dollars ($26.3 million), in the year that ended in March as sales in China declined.

• **Malaysia's** moves to award nationals majority stakes in companies, often through disinvesting foreign holders, runs contrary to efforts under way to reach a global financial-services pact, a trade official of the European Union warned.

Bloomberg, AFX, Reuters, AFP

Thai Seeks Japan Banks' Aid

Compiled by Our Staff From Dispatches

TOKYO — Thailand's finance minister called Thursday on Japanese banks to lend more money to Thai companies and to join any international loan groups that may be formed to rescue the country's crippled financial industry.

The official, Thanong Bidaya, also unveiled plans to start a deposit-insurance program and other measures to shore up Thailand's financial institutions.

In a speech to representatives of 21 Japanese banks, Mr. Thanong did not make a plea for Japanese government aid as he had been widely expected to do. But he did ask Japanese lenders to "continue and increase the credit lines extended to Thai borrowers, both financial and corporate."

The finance minister said Thailand did not need direct financial help from Japan right now because its economy was "fundamentally sound" and should stabilize within a year. He said the Thai baht had stabilized to a greater degree than he had expected since the government allowed the currency to float July 2.

Mr. Thanong's visit followed more than a week of media speculation about whether Thailand would seek billions of dollars from Japan and other nations to help its indebted financial companies, spur its economy and increase its foreign-currency reserves.

The official said the purpose of the visit to Japan had been merely to "update and exchange views" with Japanese bankers and officials about the state of the Thai economy.

Japan is Thailand's largest trading partner and investor, and Japanese banks hold about half of the foreign-currency debt issued by Thai companies.

The dollar reached a record high against the Thai currency of 30.80 baht this week, a rise of about 20 percent from the narrow range it had traded in for several years. The dollar closed Thursday in Bangkok at 29.80 baht.

But Hiroshi Mitsuzuka, Japan's finance minister, said this week that Asia's currencies were not in danger and that Thailand's decision to let the baht fall would ultimately stabilize the economy. *(Bloomberg, AP)*

■ Manila Plans to Borrow From IMF

The Philippines said Thursday it would borrow from the International Monetary Fund to replenish its foreign reserves, which have been depleted by a costly effort to defend its currency, the peso, from speculative attack, The Associated Press reported from Manila.

The central bank's governor, Gabriel Singson, said the amount to be sought would be announced Friday.

About $1 billion is available to Manila from the IMF, and the Export-Import Bank of Japan has indicated its willingness to contribute a further $450 million.

Thais Brace for Drought

El Nino Pattern Threatens Rice Crops Across Asia

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — The rains across Southeast Asia have been late and sparse because of the El Nino weather pattern, threatening agricultural production and pushing the issue to the top of the regional agenda.

The delayed rains are not yet a disaster for rice production, but pose a problem for Thailand, which is already suffering its worst financial crisis in a decade, as well as Indonesia and the Philippines, said Chan Ling Yap, a rice specialist at the Food and Agriculture Organization in Rome.

"If the rains don't come this week there could be a real problem," Ms. Yap said. "Even when they do come, late rains mean a delayed harvest."

The drought is expected to be a priority at next week's meeting of top officials from the Association of South East Asian Nations.

[Major Thai crops including corn, soybean and sugar cane have been hard hit by the dry spell, government and industry officials told Reuters on Thursday.

[More than 640,000 hectares (1.6 million acres) of farmland in 22 Thai provinces have already been affected by the prolonged dryness, according to Ananta Dalodom, deputy permanent secretary of agriculture. More than 70 percent of the first corn crop was damaged by lack of rain.]

The periodic El Nino phenomenon is caused by a warming of the surface waters in the eastern Pacific near the equator, which changes wind and other global patterns, wreaking havoc on crops.

This year it has been blamed for increased rain in the southern United States and a lack of rain in southeastern Africa.

On Saturday, President Fidel Ramos of the Philippines directed government agencies and the public to conserve water and warned of a long drought.

In Thailand, the rains should have come in late May, but forecasters were now hoping they would arrive by early August, said Smith Tumsaroch, the director general of the meteorological department.

Farmers in Thailand have already been warned to delay planting rice until early August, more than one month after the usual planting time.

"The situation is very bad," Mr. Smith said. "Instead of having the rains come to northern Thailand, they have gone eastward into China."

Jumrubb Intachaisri, director of the Thai Department of Agriculture's Center for Information, said the drought had already cut the country's rice crop by 10 percent. "If the rains do not come soon, it will affect exports," he said.

Vichien Petpisit, director of the Rice Research Institute, said national stores and a possibly bounteous off-season crop could make up for production lost during the regular growing season, but rice farmers would still suffer.

India Relaxes Satellite Rules

Reuters

NEW DELHI — India on Thursday ended its state monopoly on satellite use and ownership, allowing private companies to use transponders on state satellites and permitting private users to establish commercial communications satellites.

The government said it had approved a policy to strengthen the growth of satellite communications systems.

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Spain	900941007	Sweden	020796158		
Switzerland	0800897239	Thailand	0018001912116613		
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NASDAQ

Thursday's 4 P.M.

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The Associated Press.

NYSE

Thursday's 4 P.M. Close

(Continued)

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International Herald Tribune
SPORTS
FRIDAY, JULY 18, 1997

WORLD ROUNDUP

Kuerten Withdraws

TENNIS Gustavo Kuerten, the French Open champion, and Boris Becker dropped out of the Mercedes Cup in Stuttgart on Thursday because of injuries, while six Spaniards reached the quarterfinals of the clay-court event.

The only non-Spaniards in the last eight were Karol Kucera of Slovakia, who upset fifth-seeded Marcelo Rios of Chile 6-4, 6-4, and Yevgeni Kafelnikov, the second-seeded Russian, who beat Francisco Clavet of Spain, 4-6, 6-3, 6-2.

Kuerten, the eighth-seeded Brazilian, was trailing Felix Mantilla of Spain, 4-1, when he quit.

"I had a lot of pain in the ribs," Kuerten said. "I tried to play but the pain was too strong."

Becker pulled out with a leg injury just before his match against Albert Costa of Spain.

Sergi Bruguera, Alberto Berasategui, Alex Corretja, and Albert Portas all advanced. *(AP)*

• Andre Agassi's return after a 70-day layoff ended after one match when he lost, 2-6, 6-4, 6-4, to the unseeded Doug Flach in the second round of the Legg Mason Classic in Washington on Wednesday. Agassi looked sharp in the first set but then weakened. *(Reuters)*

Kanu Says He's Ready

SOCCER Nwankwo Kanu, Inter Milan's Nigerian striker, returned to Italy on Thursday and said he was ready to play again after a heart operation. "I feel good and I'm sure of playing for Inter," he said.

• Stuart Pearce has been given a free transfer by relegated Nottingham Forest to allow him to return to the English Premier league and enhance his chances of selection for the England team. *(Reuters)*

Celtics Cut Dino Radja

BASKETBALL • Forward-center Dino Radja was placed on waivers by the Boston Celtics and reports said he was expected to sign with Panathinaikos in Greece. *(AP)*

• Bob Weinhauer, who joined the Milwaukee Bucks as an assistant to coach Chris Ford last August, was appointed the franchise's general manager. *(AP)*

Windblown Troon Tests Golf's Greatest Names

But Some Stars Savor Weather And Adversity

By Ian Thomsen
International Herald Tribune

TROON, Scotland — Above at lunchtime a vat of gray paint had been kicked over and was seeping its way across the blue sky. Down below the sea kicked up, the wind whistled at anyone trying to walk back to the clubhouse, and Jack Nicklaus, remarkably, was feeling more vital.

Dragging around Nicklaus, 57, as he began his turn back toward the clubhouse Thursday was a charm bracelet of

BRITISH OPEN

lesser famous names, one linked after the other — Greg Norman, Tom Watson, Fred Couples, Payne Stewart — all of them under par by three or four strokes early in the opening round of the 126th British Open. Nicklaus, meanwhile, was 2-over par already as he trudged sadly up the hill of No. 10. Once the longest hitter in the game, he had hit two drivers up this hill and was still short of the 438-yard hole. As he passed a single fan clapped slowly, sympathetically, and Nicklaus returned a smile of sincere thanks.

Altogether there were five holes of par-4 pointing into the wind on the back nine — and Nicklaus, who was the Tiger Woods of his day, could reach none of them.

He would bogey two of them to stumble to 4-over par, and yet he continued to move around the old course resolutely, like the senior citizen who follows one detour sign after another without caring about the delays.

The most obvious difference in Nicklaus is that his ambition is no longer obvious, and he is in no hurry. At the 10th he chipped up the hill to within a stride of his par, which he sank as a passenger train came rattling along the tracks that pass the southeast corner of Royal Troon, and someone in the train probably was shouting, "Hey, that's Jack Nicklaus!"

Nicklaus paid the train no mind. After the bogeys he came up with a birdie at the par-3 14th. He walked up the hills leaning forward, tottering a bit, waving in the direction of every applause. At the 16th he holed out from a greenside bunker for birdie and wound up with a credible 73.

Adam Butler/The Associated Press
Tom Watson playing out of a bunker to the eighth green Thursday in the first round of the British Open.

Around him the lesser names were behaving less famously — Norman giving up 2 strokes on the back side to finish at 2-under-par 69, in a tie with Couples, who was 3-over on the back. Stewart came home in 40 for 2-over.

Watson didn't hit a green in regulation on the back nine. He shot 33-38, finished at 71, and pointed out, "Jack Nicklaus shot even par on the back side, and that's quite a feat."

With wind like this, Royal Troon is divided roughly in half — the front nine feels as if it's downhill, and the back nine is, according to Couples, "about as hard a nine as you'll ever play."

"I've always felt that the British Open hasn't had enough wind the last couple of years," Norman said. "Nowhere else in the world do you get to savor this. You've got to imagine shots, you've got to picture the shots that you want to hit. How many shots did I have, 37 on the back nine? Probably 15 of them were shots I don't practice."

For Nicklaus to shoot even par on the back side was no sensation. But his score was like ballast and he himself became the anchor of a tournament that had been making some amazing promises — Colin Montgomerie being one of them. Montgomerie shot a disappointing 76 on his home course, going 7-over par on the last dozen holes, and he seems more likely to miss the British Open cut for the fifth time in six years than win his first major title.

The hope that the top players would be in contention on Sunday was not ruled out. Norman seemed to be in the best shape. He was followed around the course by his swing coach, David Leadbetter, whose clients also include Ernie Els, who shot a disappointing 75, Nick Price, out of touch after a 78, and Nick Faldo, who will retain hope of winning his fourth British Open with his opening-round 71. Leadbetter says he knows how to predict when Faldo is about to make the run at a title.

"Normally it's when he's a bit uptight," Leadbetter said as he walked behind the ropes amid the public gallery. "When Nick is relaxed, actually, it's a bit of a problem. He blew up at a couple of people last week, so he seems to be ready."

One of Leadbetter's former clients, the 1991 British Open champion Ian Baker-Finch, was on his way to an incredible opening round of 92 — 21-over par — which was followed by the Australian's quick withdrawal from the tournament. Baker-Finch had six double-bogeys and a triple-bogey while shooting 44-48. He didn't decide to enter the tournament until Wednesday.

"I think the problem for him is fear," Leadbetter said sympathetically. "Like a race-car driver who's afraid of crashing, or a skier who is always worried about coming off his skis."

Then shouldn't Norman also be a captive of such fear, having lost so many major titles on the final day? Yet here he was, putting himself in that position again. Leadbetter admitted that both Norman, 42, and Faldo, who turns 40 on Friday, had been inspired by the surge of Tiger Woods.

"No great athlete likes to be told he's slipping, that he's losing his skills," Leadbetter said. "He'll always say, If I do a little bit of this, fix up that, I can be right back up there again."

In the meantime, Nicklaus moved along, not really in contention but not far from it. At last the familiar blend of applause and whistling came up the 18th fairway and then fell to silence as the statue of Nicklaus stood over his ball on the last green. From the first tee across the way his head and right shoulder were hidden behind his crouch. The other shoulder moved. There was more applause and he walked around the corner of the clubhouse and out of sight.

After a suitable pause an announcement was made: "On the tee: Tiger Woods." The air sounded as if it was ripping around his opening drive and the past became the present, just like that.

Tiger Woods Goes Long

Compiled by Our Staff From Dispatches

TROON, Scotland — Tiger Woods's opening round in the British Open on Thursday contained a triple-bogey seven, two birdies in the last three holes and a drive he estimated at 435 yards. He finished with a one-over-par 71 to trail leaders Jim Furyk and Darren Clarke by four strokes. Ian Baker-Finch, the 1991 champion, went around in 92, 21 over par, and then withdrew.

Woods found bunkers twice at the first hole but still saved par. At the 557-yard fourth, with the wind at his back, Woods unleashed the drive that went well over 400 yards, and even though he two-putted from 12 feet, he got a birdie.

He collected his second birdie at the 577-yard sixth, the longest hole on any Open course. He missed the green on the 126-yard postage-stamp eighth, where he made a bogey 4 and then had a 7 at the par-4 11th, but he birdied the par-5 16th and the par-4 18th.

No player broke par on the wind-whipped back nine, but Clarke, of Northern Ireland, and Furyk, an American, both finished level par for the home stretch after bogeying the 18th.

"I'm glad to come in even par," said Furyk. "It's really tough coming in."

"I got off to a good start, and then as soon as I stood on the 10th hole, it was a case of trying to hang on," Clarke said. "I love the conditions like that. I am used to it."

"Believe me, I'm delighted," Norman said after carding a 2-under 69. "It was a long, hard day. We played two totally different courses. We were hitting six-irons 240 yards downwind and six-irons 120 yards into the wind."

Davis Love III and Jesper Parnevik were among four players at 1-under 70, while Tom Watson, Curtis Strange, Nick Faldo and Ian Woosnam were at 71. Bernhard Langer finished at 72, along with Tom Kite. Colin Montgomerie, the Scottish favorite, shot 76.

Baker-Finch, 36, went out in 44 and came back in 48. His round included a triple bogey, six double bogeys, five bogeys and no birdies.

"I tried my hardest," he said. *(Reuters, AP, AFP)*

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THE WORLD'S DAILY NEWSPAPER

RYDER CUP '97 JOHNNIE WALKER

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	57	34	.626	—
New York	53	39	.576	4½
Toronto	43	47	.478	13½
Detroit	43	49	.467	14½
Boston	41	52	.441	17
CENTRAL DIVISION				
Cleveland	49	38	.563	—
Chicago	47	45	.511	4½
Milwaukee	43	46	.483	7
Minnesota	40	52	.435	11½
Kansas City	37	52	.416	13
WEST DIVISION				
Seattle	53	41	.564	—
Anaheim	51	42	.548	1½
Texas	46	46	.500	6
Oakland	39	57	.406	15

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	60	34	.638	—
Florida	53	38	.582	5½
New York	51	42	.548	8½
Montreal	50	42	.543	9
Philadelphia	27	64	.297	31½
CENTRAL DIVISION				
Houston	48	47	.505	—
Pittsburgh	47	46	.505	—
St. Louis	45	48	.484	2
Cincinnati	41	51	.446	5½
Chicago	39	55	.415	8½
WEST DIVISION				
San Francisco	53	41	.564	—
Los Angeles	50	44	.532	3
Colorado	44	51	.463	9½
San Diego	43	51	.457	10

WEDNESDAY'S LINESCORES
AMERICAN LEAGUE

Boston 300 100 000—4 11 0
Baltimore 000 000 010—1 10 0
Avery, Corsi (8), Slocumb (9) and Hatteberg; Key, Te.Mathews (7), A. Benitez (9) and Webster. W—Avery, 3-2. L—Key, 12-6. Sv—Slocumb (12). HR—Boston, Stanley (11).

New York 301 100 501—11 12 0
Chicago 012 020 000—5 9 0
Pettitte, Nelson (7), Stanton (9) and Girardi; Alvarez, Simas (7), T. Castillo (9) and Pena. W—Pettitte, 11-5. L—Alvarez, 8-7. HRs—New York, T. Martinez 2 (33), Boggs (3).

Toronto 000 000 000—0 8 2
Texas 301 023 00x—6 10 0
Hentgen, Timlin (6), Spoljaric (8) and O'Brien; D.Oliver and I.Rodriguez. W—D. Oliver, 6-9. L—Hentgen, 9-7. HR—Texas, Newson (7).

Cleveland 001 020 010—4 8 1
Milwaukee 011 000 001—3 6 1
Jr.Wright, Mesa (7), Assenmacher (8), M. Jackson (9) and S.Alomar; B. McDonald, Florie (7) and Matheny, Stinnett (9). W—Jr.Wright, 2-0. L—B. McDonald, 8-7. Sv—M. Jackson (12). HR—Cleveland, Giles (11).

Kansas City 120 000 000—3 7 0
Oakland 000 703 01x—11 8 1
Rosado, Mi.Perez (4), J. Walker (6), Carrasco (6), J. Montgomery (8) and M.Sweeney, C.Reyes; Wengert (4), Kubinski (8), Haught (9) and Ge.Williams. W—Wengert, 4-8. L—Rosado, 7-6. HRs—Oakland, McGwire 2 (34).

Detroit 000 201 000—3 8 1
Anaheim 210 101 00x—5 4 0
Moehler and Walbeck, C.Finley, Gross (8), Percival (9) and Td.Greene. W—C. Finley, 7-6. L—Moehler, 6-8. Sv—Percival (13). HRs—Detroit, Fryman (13), Nieves (14). Anaheim, Td Greene 2 (2).

Minnesota 000 020 014—7 10 1
Seattle 000 000 152—8 14 1
Robertson, Swindell (7), Fr.Rodriguez (8), Guardado (8), Aguilera (9) and Stinnbach; Fassero, Ayala (9), S. Sanders (7) and Da.Wilson. W—S. Sanders, 3-6. L—Aguilera, 3-2. HR—Minnesota, M. Cordova (6).

NATIONAL LEAGUE

Cincinnati 310 020 000—7 11 2
Pittsburgh 100 010 010—3 8 2
Burba and J. Oliver, Loaiza, Ruebel (5), Silva (6), Sodowsky (8) and Kendall. W—Burba, 6-9. L—Loaiza, 6-5. HRs—Cincinnati, Nunnally (1), W. Greene (14). Pittsburgh, Kendall (3).

Montreal 000 000 000—0 4 1
Philadelphia 001 110 02x—6 7 0
Bullinger, M. Valdes (6), Torres (8), DeHart (8) and Fletcher; Schilling and Lieberthal. W—Schilling, 11-8. L—Bullinger, 6-9. HRs—Philadelphia, Rolen (12), Brogna (11).

Colorado 000 100 000—1 5 0
Atlanta 000 100 01x—2 9 0
Thomson, Dipoto (8), M. Munoz (8) and Manwaring; Glavine, Wohlers (9) and Edd.Perez. W—Glavine, 10-5. L—Dipoto, 3-2. Sv—Wohlers (23).

Los Angeles 000 010 000—1 1 1
Florida 101 003 00x—5 9 1
Nomo, Osuna (6) and Piazza; KJ Brown and C. Johnson. W—KJ.Brown, 9-6. L—Nomo, 9-8.

Chicago 200 040 000—6 10 0
New York 003 020 000—5 7 1
Je.Gonzalez, Wendell (6), R. Tatis (7), T. Adams (7), Rojas (9) and Servais; Reynoso, Lidle (5), Crawford (7), Kashiwada (9) and Hundley. W—Je.Gonzalez, 7-2. L—Reynoso, 6-3. Sv—Rojas (10). HR—New York, Olerud (14).

San Francisco 000 010 000—1 4 2
Houston 300 401 00x—8 11 1
Foulke, Johnstone (4), R. Rodriguez (7), Poole (8) and Berryhill, Johnson (7); Hampton and Ausmus. W—Hampton, 6-7. L—Foulke, 1-4. HR—Houston, Bogar (2).

San Diego 100 000 021—4 8 1
St. Louis 010 000 200—3 7 1
Hitchcock, Bruske (7), Hoffman (9) and Flaherty; Morris, Fossas (8), T. J. Mathews (8) and Difelice. W—Bruske, 2-0. L—T. J. Mathews, 4-4. Sv—Hoffman (20).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	48	29	1	.621	—
Hiroshima	39	35	0	.527	7½
Yokohama	36	38	0	.496	10½
Hanshin	36	40	1	.474	11½
Chunichi	37	42	0	.468	12
Yomiuri	33	45	0	.423	15½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	43	32	2	.573	—
Orix	40	31	2	.563	1
Daiei	42	36	0	.538	2
Nippon Ham	39	40	1	.494	6
Kintetsu	33	43	1	.434	10
Lotte	29	44	2	.397	13

THURSDAY'S RESULTS
CENTRAL LEAGUE
Hiroshima 14, Chunichi 2
Yomiuri 8, Yokohama 3
Yakult vs. Hanshin, ppd. rain
PACIFIC LEAGUE
Kintetsu 7, Orix 5
Lotte vs. Nippon Ham, ppd. rain

CRICKET

AUSTRALIA TOUR
GLAMORGAN VS AUSTRALIA
3-DAY MATCH 2D DAY AT LUNCH
THURSDAY IN CARDIFF, WALES
Australia 369-4 declared and 100-5
Glamorgan 254 all out

GOLF

British Open

First round scores of British Open on 7,079-yard, par-71 Royal Troon course

Jim Furyk, U.S.	37-30—67
Darren Clarke, Britain	32-35—67
G. Norman, Australia	32-37—69
Fred Couples, U.S.	31-38—69
Justin Leonard, U.S.	34-35—69
a-B. Howard, Brit.	32-38—70
Angel Cabrera, Arg.	35-35—70
Davis Love III, U.S.	32-38—70
Andrew Magee, U.S.	34-36—70
Jesper Parnevik, Swe.	34-36—70
Jay Haas, U.S.	34-36—70
Tom Watson, U.S.	33-38—71
Ian Woosnam, Britain	35-36—71
David Tapping, Britain	34-37—71
Curtis Strange, U.S.	35-36—71
Nick Faldo, Britain	36-35—71
Tom Purtzer, U.S.	35-37—72
Peter Lonard, Austl.	32-40—72
Steve Stricker, U.S.	34-38—72
Stuart Appleby, Austl.	34-38—72
P. U. Johansson, Swe.	34-38—72
R. Russell, Britain	34-38—72
Tom Kite, U.S.	35-37—72
Billy Andrade, U.S.	35-37—72
Michael Bradley, U.S.	35-37—72
Jonathan Lomas, Brit.	34-38—72
Bernhard Langer, Ger.	33-39—72
Tiger Woods, U.S.	35-37—72
Scott McCarron, U.S.	34-39—73
a-Craig Watson, Brit.	34-39—73
Lee Westwood, Britain	36-37—73
Jack Nicklaus, U.S.	38-35—73
Payne Stewart, U.S.	33-40—73
Mark O'Meara, U.S.	35-38—73
Mark Wiebe, U.S.	36-37—73
David Duval, U.S.	34-39—73
Rodger Davis, Austl.	34-39—73
Peter O'Malley, Austl.	33-40—73
Eduardo Romero, Arg.	33-41—74
M. Calcavecchia, U.S.	35-39—74
S. Maruyama, Japan	35-39—74
S. Ames, Trinidad	37-37—74
Wayne Riley, Australia	34-40—74
Gary Clark, Britain	34-40—74
Frank Nobilo, N. Zeal.	36-38—74
Tom Lehman, U.S.	34-40—74
Jim Payne, Brit.	35-39—74
David Howell, Britain	37-38—75
a-S. Webster, S. Africa	36-39—75
Richard Boxall, Britain	34-41—75
W. Westner, S. Africa	36-39—75
Brian Watts, U.S.	36-39—75
R. Goosen, S. Africa	34-41—75
J.M. Olazabal, Spain	35-40—75
P. Broadhurst, Britain	35-40—75
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Costantino Rocca, It.	35-40—75
Padraig Harrington, Ir.	[illegible]
Peter Mitchell, Britain	[illegible]
[illegible]	[illegible]
P. McGinley, Ireland	[illegible]
Jeff Maggert, U.S.	[illegible]
C. Montgomerie, Brit.	[illegible]
Andrew Coltart, Britain	[illegible]
D. Robertson, Britain	[illegible]
Robert Allenby, Austl.	[illegible]
Thomas Bjorn, Den.	[illegible]
John Cook, U.S.	[illegible]
Joe Ozaki, Japan	[illegible]
Loren Roberts, U.S.	[illegible]
Peter Senior, Australia	[illegible]
Seve Ballesteros, Sp.	[illegible]
Jose Coceres, Arg.	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Steve Jones, U.S.	[illegible]
Mark James, Britain	[illegible]
Steve Elkington, Austl.	[illegible]
Peter Hedblom, Swe.	[illegible]
Greg Turner, Zealand	[illegible]
Phil Mickelson, U.S.	[illegible]
Robert Damron, U.S.	[illegible]
Tommy Tolles, U.S.	[illegible]
[illegible]	[illegible]
Jean Van de Velde, Fr.	[illegible]
Brad Faxon, U.S.	[illegible]
Vijay Singh, Fiji	[illegible]
Jamie Spence, Britain	[illegible]
Sam Torrance, Britain	[illegible]
Mark McNulty, Zimb.	[illegible]
Sandy Lyle, Britain	[illegible]
Bob Tway, U.S.	[illegible]
[illegible]	[illegible]
Warren Bladon, Brit.	[illegible]
Dudley Hart, U.S.	[illegible]
Michael Long, N. Zea.	[illegible]
Lee Janzen, U.S.	[illegible]
Corey Pavin, U.S.	[illegible]
Craig Stadler, U.S.	[illegible]
Gary Player, S. Africa	[illegible]
Nick Price, Zimbabwe	[illegible]
[illegible]	[illegible]
Russell Claydon, Brit.	[illegible]
Mark Roe, Britain	[illegible]
Paul Curry, Britain	[illegible]
[illegible]	[illegible]
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Ignacio Garrido, Spain	[illegible]
Craig Parry, Australia	[illegible]
Miguel Martin, Spain	[illegible]
[illegible]	[illegible]
Peter Baker, Brit.	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Ross McFarlane, Brit.	[illegible]
[illegible]	[illegible]
A. Sandywell, Britain	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Mark Brooks, U.S.	[illegible]
Richard Green, Austl.	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Gaurav Ghei, India	37-44—81
David Frost, S. Africa	38-43—81
Alexander Cejka, Ger.	39-42—81
M. A. Jimenez, Spain	36-46—82
B. McGovern, Ireland	43-41—84
Yoshinori Kaneko, Jap.	42-42—84
Nobuhito Sato, Japan	39-46—85
Dennis Edlund, Swe.	40-47—87
I. Baker-Finch, Austl.	44-48—92

a-amateur

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

BALTIMORE—Recalled INF Aaron Ledesma from Rochester, IL.

BOSTON—Recalled LHP Ron Mahay from Pawtucket, IL.

DETROIT—Traded C Brian Johnson to San Francisco for C Marcus Jensen, and designated Jensen for assignment. Traded INF Dave Hajek to San Diego for OF Earl Johnson, and assigned Johnson to Jacksonville, SL.

KANSAS CITY—Optioned RHP Jim Pittsley to Omaha, AA. Bought contract of OF Ryan Long from Omaha.

NEW YORK—Put 1B Cecil Fielder on 15-day disabled list. Bought contract of 1B Ivan Cruz for Columbus, IL. Announced P Julio Cesar Verdin has been re-assigned to Greensboro, SAL.

OAKLAND—Bought contract of LHP Tim Kubinski from Edmonton, PCL. Optioned OF Jason McDonald to Edmonton. Transferred RHP Dave Telgheder from 15-day disabled list to 60-day disabled list.

TEXAS—Put RHP Julio Santana on 15-day disabled list retroactive to July 15. Purchased contract of RHP Tanyon Sturtze from Oklahoma City, AA.

NATIONAL LEAGUE

ARIZONA—Signed OF Gary Matz.

HOUSTON—Bought the contract of 1B J.R. Phillips from New Orleans, AA. Optioned OF Bob Abreu to New Orleans.

NEW YORK—Fired Joe McIlvaine, general manager. Promoted assistant general manager Steve Phillips to general manager and signed him to 3-year contract.

ST. LOUIS—Waived LHP Fernando Valenzuela for purpose of giving him his unconditional release. Recalled LHP Eric Ludwick from Louisville, AA.

SAN DIEGO—Agreed to terms with INF Kevin Nicholson and sent him to Peoria, AA. Assigned Dave Hajek to Las Vegas, PCL.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

BOSTON—Waived F-C Dino Radja.

CHARLOTTE—Signed F J.R. Reid.

DENVER—Agreed to terms with F Danny Fortson and G Bobby Jackson on 3-year contracts.

GOLDEN STATE—Named Paul Westhead [illegible].

MILWAUKEE—Named Bob Weinhauer general manager.

TORONTO—Signed G Doug Christie to 7-year contract.

UTAH JAZZ—Signed G Bryon Russell to 5 year contract.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

ARIZONA—Signed CB Tom Knight to 5-year contract and LB [illegible] to 1 year contract.

ATLANTA—Agreed to terms with CB Michael Booker on 5-year contract. Signed DE Troy Bailey.

BALTIMORE—Claimed WR Ryan Yarborough off waivers from Green Bay.

DENVER—Signed TE Shannon Sharpe to 3-year contract.

GREEN BAY—Agreed to terms with LB Seth Joyner.

JACKSONVILLE—Waived DT Andre Davis. Signed TE [illegible].

KANSAS CITY—Signed FB Tony Richardson and [illegible].

NEW ENGLAND—Signed G Damon Denson and WR [illegible].

PHILADELPHIA—Signed LB James Darling and DT Ed Jasper.

OAKLAND—Signed FB Derrick Clark.

PITTSBURGH—Signed CB Chad Scott.

SAN FRANCISCO—Signed CB Rod Woodson, TE Greg Clark, and QB Jeff Brohm.

WASHINGTON—Agreed to terms with K Scott Blanton, T Shar Pourdanesh and DB [illegible] on 1 year contracts, and TE [illegible] to 2-year contract.

هكذا من الاصل

Tiger Woods Goes Long

TROON, Scotland — Tiger Woods's opening round in the British Open on Thursday contained a triple-bogey seven, two bogeys, the last three holes and a drive estimated at 435 yards. He finished with a one-over-par 73 to trail Jim Furyk and Darren Clarke by four strokes. Ian Baker-Finch, 1991 champion, went around in 81, 10 over par, an hour before Woods finished.

Woods found bunker on the first hole but still managed the 557-yard fourth, and then at his best, Woods unleashed a drive that went well over 400 yards and even though he pushed his approach from 12 feet, he got a birdie.

He collected his second [illegible] the 577-yard [illegible] on any Open course. He [illegible] green on the 12th and [illegible] stamp eighth, [illegible] bogey 4 and then [illegible] 14th, but he [illegible] the par-4 16th and the par-4 17th.

No player has ever [illegible] Open title [illegible] Northern Ireland and Fury [illegible] American [illegible] for the home [illegible] the 18th.

"I might [illegible] said Fury [illegible] ing it.

"I got [illegible] then [illegible] hole [illegible] on. Once [illegible] drives [illegible]

"Back [illegible] Norman [illegible] double [illegible] placed [illegible] 2nd [illegible] 12th [illegible] Once [illegible] Parnevik [illegible] at Turnberry [illegible] Carl [illegible] Woods [illegible] Langer [illegible] Tom Kite [illegible] Scotsman [illegible]

Richard [illegible] and [illegible] in [illegible] begged [illegible] res.

"I [illegible] said.

TENNIS

BASEBALL

BASKETBALL

FOOTBALL

Armstrong Returns, But as a Spectator

Cancer-Stricken Cyclist Admits Future Is 'Kind of Wait and See'

By Samuel Abt
International Herald Tribune

ST. ETIENNE, France — Heralded by the hum of their wheels, the riders of the Tour de France were leaving Andorra, chatting and joking as they do before the daily battle really starts.

On the sidewalk, just before the riders turned a corner and began to pass out of sight, Lance Armstrong had stood, a spectator. This was not his battle now. It has not been since October, when Armstrong, the 25-year-old Texan who has won two stages in the Tour and became world professional road-race champion at the age of 22, was told he had testicular cancer that had spread to his lungs and brain.

TOUR DE FRANCE

He has not ridden in a professional race since then. After months of successful chemotherapy and continuing checkups, he is sitting out this season because his doctors fear that arduous physical activity at this point might allow the cancer to recur.

Armstrong joined this Tour as a visitor, participating mainly in a ceremony to honor his former teammate, Fabio Casartelli, who was killed in a crash in the Pyrenees two years ago.

"It's a strange feeling, but I'm comfortable just being a spectator right now," he said in an interview while he spent two days with the race this week.

"It's not difficult for me" — he slowed and chose his words carefully — "to come and watch."

Even when the thought is that banal, Armstrong is unaccustomedly slow to respond to some questions. Often the reply is full of uncertainty, as he is.

"It's kind of wait and see," he says of his future. "I'm still being monitored every month, and so far, so good." His blood was last checked for signs of disease two weeks ago in Austin, Texas, where he lives. Early in August, he will go to Indianapolis for his three-month checkup and tests in depth.

"My doctors have told me to rest this year," he said. "Whatever happens after this year, it's going to happen. I still consider myself a professional cyclist."

He has a deadline to know how long he will retain that status.

"It's October," he said, "a year after I was diagnosed, in line with the checkups and how they go. The doctors pretty much dictate everything. Yeah, they do.

"The further I go there, the more clear my future will be: whether I'll ride again, whether I won't ride again, whether I can ride again."

Being cleared to ride and wanting to do it are two different things, of course. Armstrong knows that a year off his bicycle, except for intermittent training, will not be overcome quickly or easily. Although he has not gained much weight and looks fit and happy, he says his muscle mass has turned soft.

Asked if he had brought a bicycle with him to Europe for training rides, he looked amused. No, he said, he left it behind.

"I've been training so hard," he explained with a big, self-mocking smile, "that I have to taper off for a while."

If he cannot return to the top level of the sport, he often says, he does not want to return at all.

More important, he is watching his health.

"I feel great, super. I really do. I feel better than I did a year ago." And, he continued, he is enjoying life.

"I'm having a blast," he said. "I'm doing exactly what I want to do."

That includes playing "a lot of golf," traveling for a week in North Carolina traveling with the Wallflowers band and visiting Spain with a girlfriend. He went to Madrid, San Sebastian and Pamplona, where he watched the running of the bulls, before joining the Tour. Afterward he was returning from Andorra to Madrid and planned to fly back to Austin on Saturday.

Armstrong said he was living day to day and long-term at the same time: "Absolutely. When I wake up, I try to live every day fully and all out as best I can, but I'd be lying if I said I didn't think about what I'm going to be doing 10 years from now."

'This is an uncertain time for me. I'm kind of floating in terms of my career and my future and my professional life and my health.'

His options are varied.

"I have a bit of a financial cushion," he says, "but I don't have the mentality to sit around and do nothing. I'll find something."

Those options include enrolling at the University of Texas, minutes from his home in Austin.

"I've thought about it a lot," he said. "Business is the logical subject. I could also study medicine, because that makes a lot of sense for me, but it takes so long. I wouldn't mind studying law but probably business.

"It's an option. I have a lot of options, though, and that's a nice position to be in. Riding again is an option, staying involved in cycling is another, with American industry people."

Which sounds best? he was asked.

"None of them sound bad," he replied guardedly.

But which is best?

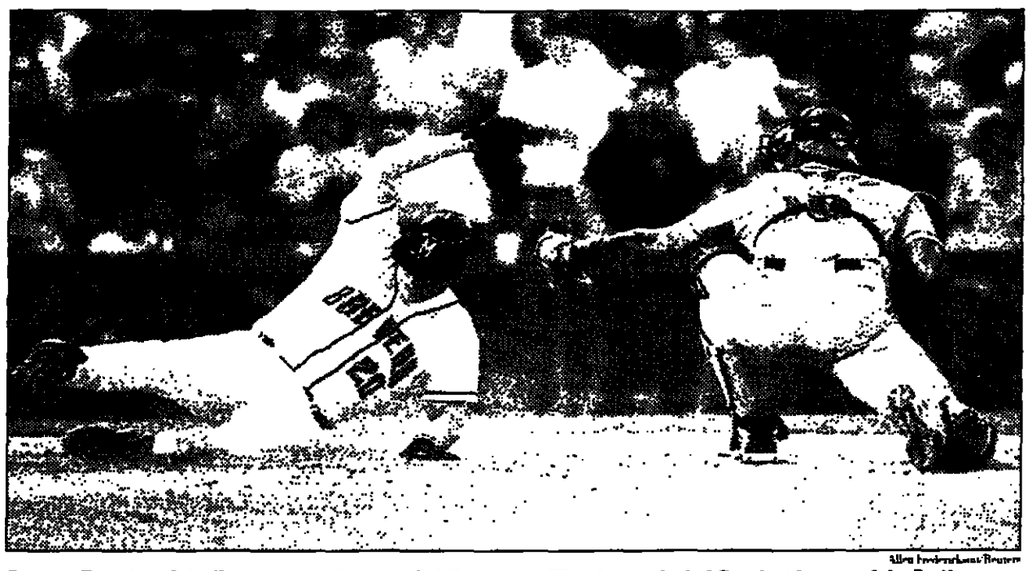
After a long pause, he said: "Good question. Sneaky too."

He meant that he knew he was being pressed to say whether he preferred to race again.

"I don't know which sounds best. This is an uncertain time for me. I'm kind of floating in terms of my career and my future and my professional life and my health.

"It's really uncertain, so until there's some certainty, I'm not going to force myself to think about the future too much."

Not many hours later, he was standing on the sidewalk as the Tour began to whir by, and then he was gone too.



Allen Fredericksen/Reuters

Jeromy Burnitz of the Brewers scoring on a fielding error. The throw eluded Sandy Alomar of the Indians.

McGwire Regains the Lead in Homers

The Associated Press

With two swings, Mark McGwire passed two Yankees and couldn't have cared less.

McGwire hit his 33d and 34th homers to regain the major-league lead from New York's Tino Martinez and move past Joe DiMaggio on the career list as the Oakland Athletics beat the Kansas City Royals, 11-3.

McGwire connected for a three-run homer off Mike Perez in the fourth inning to tie Martinez, who hit his 32d and 33d homers in New York's 11-5 victory in Chicago.

AL ROUNDUP

Oakland's slugger then broke that tie by homering again off Jeff Montgomery to lead off the eighth.

The home-run race is on, right Mark?

"Who really cares? Why would that be such a big deal at this point? Why would that matter? I don't play this game for individual accomplishments," McGwire said.

It was the 39th multi-homer game for McGwire, tying him with Andre Dawson for 17th place on the career list. He now has 363 career homers. Dimaggio had 361.

"He's one of the most dangerous bats today, if not this era," the Royals' manager, Tony Muser, said. "He's a home-run machine."

Jose Canseco struck out in all five of his at-bats for the Athletics, tying an Oakland record. Combined with his three strikeouts Monday, he tied a major-league record with eight whiffs in consecutive games.

"I don't know what's wrong. I'm trying to figure it out. Maybe I'm going blind," Canseco said with a smile. "Somebody's got to make the outs."

Yankees 11, White Sox 5 In Chicago, Martinez hit his fourth career grand slam, off Wilson Alvarez on an 0-2 pitch in the seventh following Derek Jeter's single and walks to Luis Sojo and Paul O'Neill.

Martinez, who had 31 homers with Seattle in 1995, connected in the third to set a career high.

Mariners 8, Twins 7 In Seattle, the Mariners rallied for a victory for the 25th time this season when Russ Davis hit a two-run single with one out in the ninth.

The Mariners, who scored five runs in the eighth to take a 6-3 lead, needed to come from behind again after the Twins scored four times in the top of the ninth.

Rangers 6, Blue Jays 0 In Arlington, Texas, Darren Oliver pitched his second career shutout and Will Clark doubled twice and drove in three runs for Texas.

Oliver scattered eight hits in his first complete game and shutout this season. The right-hander, whose other shutout came against Toronto on June 8, 1996, is 5-0 with a 0.95 earned run average in his career against the Blue Jays.

Red Sox 4, Orioles 1 Steve Avery won his first decision since April 22 and Mike Stanley hit a three-run homer off Jimmy Key as Boston won in Baltimore.

Avery, making his third start since coming off a two-month stint on the disabled list, allowed one run and eight hits in seven-plus innings.

Indians 4, Brewers 3 In Milwaukee, the rookie Jaret Wright pitched six effective innings and Brian Giles homered as Cleveland won for the fifth time in six games.

Wright (2-0), making his first start since cutting his finger July 1 trying to bunt, allowed two runs and three hits.

Angels 5, Tigers 3 In Anaheim, Todd Greene hit his first two home runs of the season in consecutive at-bats and Chuck Finley won his fourth straight start as the Angels won their ninth straight.

Finley (7-6) shrugged off homers by Melvin Nieves and Travis Fryman to scatter seven hits in seven innings.

'Buzz Saw' Cuts Down L.A. With One-Hitter

The Associated Press

The way Kevin Brown is throwing, a no-hitter is possible anytime he pitches.

Brown, who no-hit San Francisco on June 10, pitched his first career one-hitter Wednesday night in Miami, leading the Florida Marlins over the Los Angeles Dodgers, 5-1.

"He was like a buzz saw," said Brett Butler, the Dodgers left fielder.

Brown (9-6) faced just two batters over the minimum, allowing a leadoff single to left by Raul Mondesi in the fifth. Brown then retired his final 15 batters.

NL ROUNDUP

"This was not a night when I felt dominant out there," Brown said. "I was happy with the results, but I felt this was a night when I had to make my pitches because I didn't have the feeling that I even had last outing."

He struck out eight and walked one in his fourth complete game of the season. He has allowed one earned run or none in 10 of 20 starts this season.

Phillies 6, Expos 0 Curt Schilling pitched a four-hitter in Philadelphia for his first shutout this season. He struck out seven, raising his league-leading total to 176, and walked none in his fourth complete game.

Scott Rolen and Rico Brogna homered for Philadelphia, which won consecutive games for the first time since May 17-18 against Houston.

Braves 2, Rockies 1 In Atlanta, Chipper Jones singled home the go-ahead run in the eighth and Tom Glavine won for the fourth time in five decisions, allowing one run and five hits in eight innings.

Colorado has lost five straight and 12 of 13. Atlanta won for just the third time in seven games since the All-Star break. Larry Walker went 1 for 4, dropping his major league-leading average to .404.

Reds 7, Pirates 3 Jon Nunnally, acquired Tuesday from Kansas City, homered and drove in three runs in his first National League start.

Astros 8, Giants 1 In Houston, Mike Hampton pitched a four-hitter to win his third straight decision as the Astros won for the fifth time in seven games since the All-Star break. The Giants have lost five of seven since the break.

Padres 4, Cardinals 3 Ken Caminiti singled home the go-ahead run with two outs in the ninth as San Diego rallied from a 3-1 deficit in St. Louis.

Cubs 6, Mets 5 Sammy Sosa, the Cubs' right fielder, made a running catch with the bases loaded to end the seventh and catcher Scott Servais had a key pickoff in the eighth as visiting Chicago stopped its four-game losing streak and sent the Mets to their third straight loss.

■ Mets Fire General Manager

Joe McIlvaine was fired as general manager of the Mets, the apparent victim of a personality conflict with the team's co-owner, Fred Wilpon, and the manager, Bobby Valentine, The Associated Press reported from New York.

Steve Phillips, 34, was promoted from assistant general manager to McIlvaine's job. The Mets are enjoying their first winning season in seven years.

49ers and Packers Sign Defensive Help

The Associated Press

The San Francisco 49ers and the Green Bay Packers improved their defensive backfields by signing veteran free-agents.

Rod Woodson, an All-Pro cornerback, signed with San Francisco on Wednesday, while Seth Joyner, an All-Pro linebacker, hooked up with Green Bay.

Woodson, who spent 10 years with the Pittsburgh Steelers, is a seven-time Pro Bowl selection and NFL defensive player of the year.

He became a free agent after last season, when he returned from a career-threatening knee injury that had sidelined him for virtually all of 1995.

Woodson had additional surgery Feb. 1 on his reconstructed right knee. Doctors removed a bone chip, and Woodson said his knee felt the best it has since the injury.

"Last year, I was going on one leg a lot," he said. "This year, I have two."

Terms of his three-year deal were not released.

In allowing Woodson to get away, the Steelers lost another accomplished player in the free-agent market. Chad Brown, also an All-Pro linebacker, had left Pittsburgh earlier to sign a six-year, $24 million deal with Seattle.

Brown was among the 89 unrestricted free agents to switch teams during the five-month signing period that ended July 15, according to an NFL report issued Wednesday.

Joyner has played in three Pro Bowls and is entering his 12th NFL season.

Joyner, who had played in Philadelphia and Atlanta, signed a four-year deal reportedly worth $6 million. He is expected to replace George Koonce, out following reconstructive knee surgery.

Joyner, 32, is reuniting with Reggie White, his teammate and buddy with the Eagles, in hopes of finally reaching the Super Bowl.

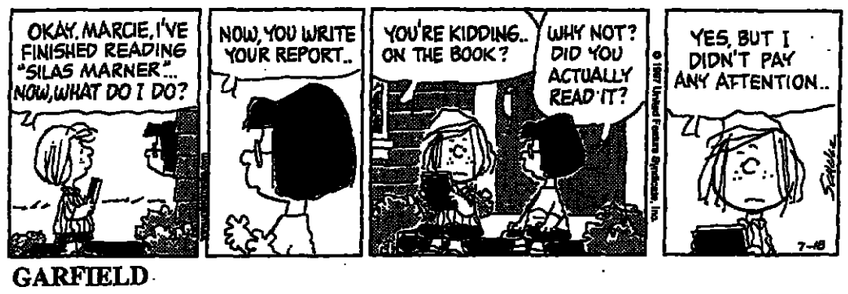
"He's really a nice piece of the puzzle for this season for us," said the Packer coach, Mike Holmgren. "He's still a very, very fine football player."

One player who is staying put is Shannon Sharpe who signed a three-year, $7.2 million contract with the Denver Broncos that will make him one of the highest-paid tight ends in the NFL.

DENNIS THE MENACE

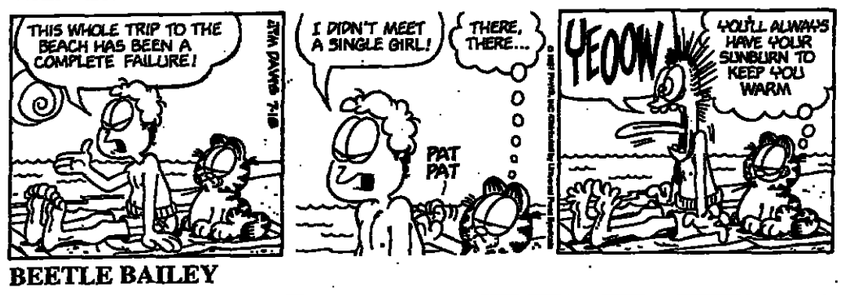
"HE BARKS, BUT HE DOESN'T BOW OR WOW."

PEANUTS



CALVIN AND HOBBES

GARFIELD



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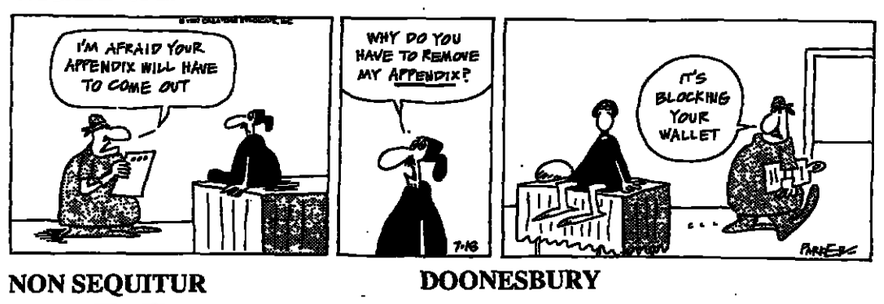

BEETLE BAILEY

NON SEQUITUR

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Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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POSTCARD

In the Ring Sans Bull

By William Claiborne
Washington Post Service

CHULA VISTA, California — In the exotic and dangerous world of bullfighting, it has been axiomatic for centuries that only those with Latin blood have the passion, skill and courage to become a matador and face the fearsome Bos Taurus.

But that was before the explosion in popularity of "extreme games" and the founding of the California Academy of Tauromaquia here, an amateur matador *training school for Anglos. Its* students are bent on high-risk adventure while engaging in a sport that has cult status in the Mediterranean and Latin America but remains anathema to animal rights activists in the United States and elsewhere.

□

The academy's students include Jim Koustas, 28, a software developer from Denver who has never been to a bullfight but hungers to participate in this "wonderful, tragic play between man and beast." Tricia Slane, 23, a pet groomer and aspiring actress from Batavia, New York, initially joined the academy hoping to advance her acting career but showed so much natural talent and enthusiasm that she will become its first graduate next month. Soon afterward, she will face cows in bloodless ring exercises in Mexico.

Since the academy opened this spring, its students have been training at a sandlot playing field at an elementary school here, 10 miles south of San Diego, but engaging in nothing more lethal than flourishing their bright red capes at instructors brandishing a pair of bullhorns. Bullfighting is illegal in California and elsewhere in the United States, and Coleman Cooney, a taurine aficionado who co-founded the academy, says he's not interested in provoking animal rights activists by staging even bloodless fights here.

Consequently, Slane's final test will take place in nearby Tecate, Mexico, where she will have to perfect her cape techniques against a half-dozen young cows before being declared ready to fatally plunge her sword between a fighting bull's shoulder blades.

"I think she can do it. She's *naturally athletic, she's* dedicated and she has the desire. She has what they call 'gusano,' the worm. It gets in you and you become obsessed with fighting a bull," said Peter Rombold. Slane's instructor and a veteran amateur bullfighter with 40 kills under his belt before he co-founded the academy with Cooney.

The 51-year-old Rombold, who said he became hooked on bullfighting at age 14 when his father took him to Tijuana's Plaza de Toros, said he had to struggle for years to overcome an entrenched cultural bias in the predominantly Latin world of bullfighting and became what Cooney calls "an American original," one of only about a half-dozen active Anglo amateur matadors who have made a sizable number of kills.

Cooney, 40, said he became a bullfighting "fanatic" while living for seven years in *Spain. There he was pro*foundly affected by the 1984 fatal goring of Paquirri, the first major Spanish bullfighter killed in the ring in years. Cooney bought a season ticket to bullfights, then became an aficionado practico, finding small bulls with which to hone his skills before becoming an amateur matador.

The Flippo Tour of Dallas With Doug Swanson

By Sam Howe Verhovek
New York Times Service

DALLAS — *You want the Flippo* tour?" asks Doug J. Swanson, author and creator of Jack Flippo, a down-and-out Texas private eye. He points the car west into the Dallas night, away from the gaudy, neon skyline of downtown, over the muddy ditch Trinity River and into a neighborhood of factories, fleabag motels and dingy doughnut shops.

At one time, Jack Flippo, the chief character in Swanson's three crime novels, was a young assistant district attorney in Dallas, a man with a future. One serious "libido-driven mistake" and a few lesser wrong turns later, Flippo is prowling the seedier side of Dallas, with forays into the city's better-*known, big-rich side. He peeps in* keyholes and digs up dirt, while engaging himself in a philosophical struggle to preserve his integrity, or some shred of it. "He looked on his conscience as something that crashed in the jungle," Swanson writes, "but was still sending out weak Maydays."

Flippo intersects with many of Swanson's other distinctive Dallas characters, including Buddy George Jr., a motivational speaker (and adulterer and blackmail target) with a pompadour "the size of a canned ham" and hand-tooled baby-blue cowboy boots. A constant font of corny dictums — "You triumph when you combine 'try' with 'umph'!" — Buddy makes his money on people who come to his Wayupper seminars, where he sells his book, "Birth of a Salesman!" "Jesus was a salesman," Buddy tells his crowds. "Sure he was. People say he has millions of followers. I like to think of 'em as customers."

With the Flippo series — "Big Town" (1994), "Dreamboat" (1995) and "96 Tears" (1996, all HarperCollins) — Swanson, 44, has drawn acclaim for his zany writing style ("crime fiction slathered in broad comedy," Publishers Weekly says). "Big Town" won the British Crime Writers Association prize for best first novel.

As much as any human being in the Flippo series, Dallas is a central character in the books, but with a twisted and clever reflection of its vaunted self-image as the ultimate city *of money and deals. Everybody has a hustle here. Even low*-life criminals are upwardly striving in Swanson's Dallas; those who blackmail Buddy George listen to his motivational cassette tapes and ask him for more and more money.

"Dallas is not an artistic place — it's a business place," Swanson explains, and the pervading sense of money's importance may give his desperate, scrambling characters a greater edge. "You're expected to come here and work and make your money and be a productive citizen and be conservative, and all that," he says as the car zooms across a Dallas freeway. "So I think maybe the contrast here is stronger. And that seems to fit with what I'm trying to do."

None of the action takes place in corporate boardrooms or the conference areas of luxury hotels, which would explain why his little tour of the Dallas inspirations for his novels is like no sightseeing tour offered by Gray Line. This tour includes two storefront tarot parlors, an inexpensive Salvadoran restaurant and a very budget motel on Fort Worth Avenue, which helpfully advises its clientele that drug dealing and prostitution are not allowed. Also on the itinerary is Brownie's Coffee Shop, an east Dallas hangout with eight colors of vinyl seats. In real life, a collection agency and a beeper-repair shop are just above the place; in *the books, the coffee shop is called Greenie's, and Flippo's* office is upstairs. "You could imagine a somewhat legitimate detective winding up up there," Swanson says. "Somewhat legitimate."

His writing is a sort of Sunbelt noir and cocks an amused eye at some of the urban Southwest's small absurdities, like the *Timberpark Hill apartment complex along a Dallas freeway* — "nowhere near timber, park or a hill," the author observes in "Big Town."

The plots are heavy on double- and triple-crosses and other twists. "Sure I gave you my word," a swindling lawyer explains to his clients in "Dreamboat." "But all guarantees are subject to change." Even friendly conversation has an edge. "I won't lie to you except it's to sell commercial real estate," says a man Flippo meets in a bar in "Big Town."

The books raise an intriguing question: Is Dallas a natural place to set a crime novel?

*Maybe, though while Hollywood is in*terested in Swanson's plots, it may just change his setting. Steven-Charles Jaffe, the producer who has optioned "Big Town" and who plans to begin shooting the film late this year, said he would probably set the whole thing in San Diego. More picturesque.

Swanson, who lives 45 miles north of Dallas with his wife, Susan Rogers, and their two children, says he takes no offense. "I can't imagine the books not being in Dallas, but a movie is a different creature. I don't think it would work so well in Cleveland or Toledo, because the Sunbelt, the sense of quick money, is such a big ingredient. San Diego's O.K. It's really beautiful, but it does have its own sleazy side."

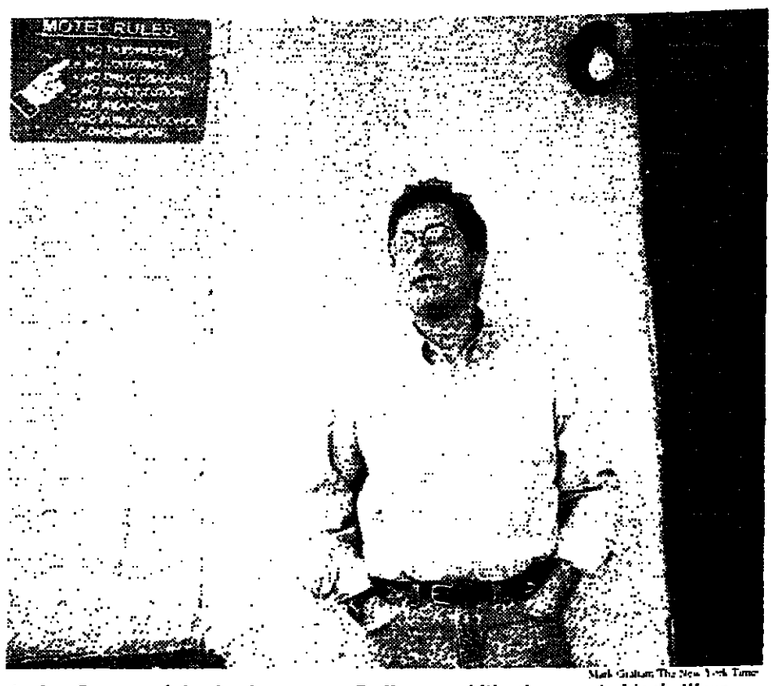
In the main, Swanson's Dallas characters are not moneyed like J.R. Ewing in "Dallas." "People keep telling me I should write about the real Dallas rich," he says. "I've thought about that. But I would have to make it somebody who had money and who is losing money. I just couldn't imagine having a lot of fun with someone who has had it all in life and continues to have it, and is not desperate. I need desperate people to write about."

Most of Swanson's characters are Texas types. In "Dreamboat" Flippo is called on to investigate a drowning in Lake Dolph Brisco, and the East Texas Sheriff is no help at all (for a reason). Rex Echols, a friendly guy who owned a topless bar called the Melon Patch Ranch with the deceased, seems intent only on making up country music lyrics:

It hurts to admit it, but one thing I do know
If cheatin' was a fel'ny, I'd live on Death Row.

There are a few out-of-state characters, including an overlarge tough guy and recurring nemesis of Flippo, Theodore N. Tunstra 2d, known as Teddy Deuce, the "unemployable son of a dentist" from Queens. Swanson says his inspiration for Teddy Deuce was a real-life New Yorker he encountered in Brooklyn when he was in the New York bureau of The Dallas Morning News.

"He worked at this toy store in Park Slope," Swanson recalls. "We used to call it Toys or Else. He was this big muscle-bound guy with tattoos. Anyway, one day I was in there with my son, who's maybe 4 years old, and this big guy is on the phone behind the counter, and he says, 'Yeah, the judge told me. I just keep seeing the shrink, I stay out of prison.' Then he hangs up, and he's staring there at my boy, and I just remember thinking, 'What a guy to be selling toys to kids.' "



Mark Graham/The New York Times

Author Swanson loitering by a seamy Dallas motel like the ones in his thrillers.

Mal Stuart/The Associated Press

David Letterman interviewing New York cabbie Qurbe Munir Tirmizi.

PEOPLE

THE Broadway musical "Victor/Victoria," based on **Blake Edwards**'s film in which a woman pretends to be a man pretending to be a woman, is closing early. **Julie Andrews** had played the lead role until June 10, when **Raquel Welch** took over. Although Welch was to play the part for *as long as six months, she received lukewarm* reviews, and the producers said the show would end after the matinee on July 27.

□

The Detroit rappers whose lewd album was pulled from stores last month by a nervous Walt Disney Co. have resurfaced at a new label. The duo **Insane Clown Posse** had been signed to Disney's Hollywood Records, but when Disney executives learned of the content of the hotly anticipated label debut "The Great Milenko," they ordered a recall six hours after it went on sale on June 24. That did not stop the album from selling 18,000 copies. Island Records, whose roster includes U2 and the **Cranberries**, has emerged as Insane Clown Posse's new home.

□

An honest cab driver got his reward in the form of an appearance on the **David Letterman** TV show. **Qurbe Munir Tirmizi**, a native of Pakistan, had been driving a taxi in New York for only one week, when a customer left her life savings, $32,859, in the back seat of his cab last weekend. Tirmizi turned it in to the authorities and when the 71-year-old customer offered him a reward, he turned it down. . . . On the same Broadway block where NBC put up a billboard *of a smiling* **Jay Leno** *proclaiming that he's No. 1 in* the late-night television ratings, CBS struck back with a billboard of its own. It features Letterman's gap-toothed grin and the boast that his "Late Show" is No. 3. "We put it up for the same reason we do everything else. It made us laugh," said **Rob Burnett**, executive producer of Letterman's show. No word on whether **Ted Koppel** is plotting a billboard of his own. His "Nightline" is No. 2.

□

More than 120 books from the family library of **Mark Twain** sold at auction for $200,500. The books were bought by Mark Twain House, the mansion in Hartford, Connecticut, where Twain lived and which is now a museum.

□

John Fogerty can still draw a crowd despite an 11-year gap between album releases. Fans lined the street to glimpse Fogerty as he filmed a music video at a train depot in Mount Pleasant, Tennessee. The video is for "Southern Streamline," a song on "Blue Moon Swamp," his first solo album since "Eye of the Zombie" in 1986. Fogerty and his band, **Creedence Clearwater Revival**, put out hits like "Proud Mary" and "Born on the Bayou" in the 1960s and '70s.

□

Merle Haggard is following the doctor's orders and canceling his July tour dates. Haggard, 60, has been recovering from heart surgery this month to fix a clogged artery. He said he wanted to fully recover before resuming the tour, but he's not planning a long rest. A date in Alabama has already been rescheduled for Aug. 3.

□

The actor **Parker Stevenson** and actress **Kirstie Alley** may get their divorce, but it won't happen in Maine. A judge dismissed the Maine divorce action, saying Alley's primary residence is in California even though the former "Cheers" star owns two houses in Maine. A California divorce would *favor Stevenson, who is requesting financial sup*port from Alley. California laws require the couple to split assets equally. In Maine, only wealth acquired during the marriage is contested. Alley and Stevenson have been married 14 years.

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